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## **APPENDIX O**

### **DOCUMENTS RELATING TO SHELTER ISLAND**

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JUL 31 2003

THE NATURE CONSERVANCY  
CHARITABLE PLEDGE

AGREEMENT made this 28th day of October, 1999 between James D. and Nancy H. Dougherty, with an address at 144 East 19<sup>th</sup> Street, New York, New York 10003 (hereinafter the "Pledgor"), and the South Fork-Shelter Island Chapter of The Nature Conservancy, Inc., with a chapter address at 3 Railroad Avenue, P.O. Box 5125, East Hampton, New York 11937 and having its principal office at 4245 North Fairfax Drive, Arlington, Virginia 22203.

WHEREAS, it is the desire of the Pledgor to assure The Nature Conservancy the availability of certain funds by donation and thereby to encourage The Nature Conservancy to carry out and fulfill its charitable programs and to seek additional contributions from other donors; and

WHEREAS, in consideration of and in reliance upon such donations of funds, The Nature Conservancy will secure gifts, donations and pledges from other individuals, foundations and corporations to The Nature Conservancy and will incur expenses to carry out its charitable programs in anticipation of the fulfillment of this Pledge; and

WHEREAS, The Nature Conservancy is willing to accept such donations of funds and to continue to undertake such programs in reliance upon the undertakings and assurances hereby given;

NOW, THEREFORE, in consideration of the premises and reliance herein recited, it is hereby agreed by and between the parties as follows:

1. Pledgor does hereby pledge to donate and gift the sum of \$1.652 million to the South Fork-Shelter Island Chapter of the Conservancy, payable in cash (or via a stock donation whose cash value as of each pledge fulfillment date equals the pledged amounts set forth below):

AMOUNT

DATE

\$650,000.00  
\$372,000.00  
\$300,000.00  
\$330,000.00

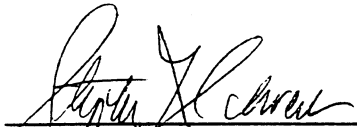
October 29, 1999  
November 30, 1999  
January 28, 2000  
January 29, 2001

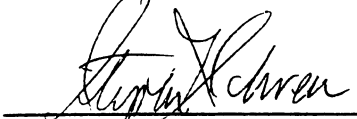
2. It is understood that the above donation is made in reliance on the fact that The Nature Conservancy (which includes its South Fork-Shelter Island Chapter Office) is now, and will be at the time of payment, exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and that said payments will be tax deductible at the time of payment under Section 170(A) of the Internal Revenue Code of 1954, as amended.

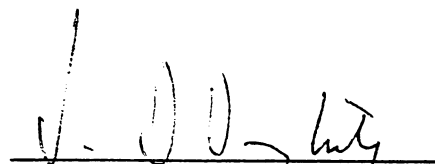
3. This Pledge may be enforced by said The Nature Conservancy by an action for specific performance or by any other appropriate remedy by any court having jurisdiction. It is further understood that this Pledge is a binding obligation on Pledgor, their estate, successors, administrators, and assigns.

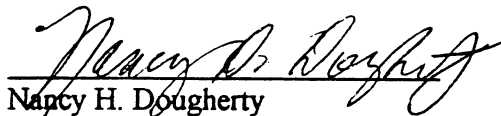
4. This Pledge shall be governed in all respects by the laws of the State of New York.

IN WITNESS WHEREOF, James D. and Nancy H. Dougherty have by their signatures hereby irrevocably pledged, and The Nature Conservancy has hereby accepted this pledge, the day and year first above written.

  
\_\_\_\_\_  
Witness

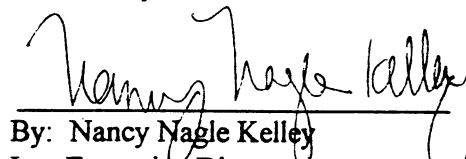
  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
James D. Dougherty

  
\_\_\_\_\_  
Nancy H. Dougherty

The Nature Conservancy—South Fork-Shelter  
Island Chapter

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
By: Nancy Nagle Kelley  
Its: Executive Director

PURCHASE AND SALE AGREEMENT

JUL 31 2003

This Agreement (the "Agreement") is made this 28th day of October, 1999.

1. PARTIES AND MAILING ADDRESSES. The Nature Conservancy, Inc., a District of Columbia non-profit corporation with its principal office at 4245 North Fairfax Drive, Arlington, Virginia 22203 and maintaining a South Fork-Shelter Island Chapter Office at 3 Railroad Avenue, P.O. Box 5125, East Hampton, New York 11937 (the "Seller"), agrees to SELL, and James D. and Nancy H. Dougherty, with an address at 144 East 19<sup>th</sup> Street, New York, New York 10003 (the "Buyer"), agrees to BUY, upon the terms and conditions hereinafter set forth, the following described premises.
2. DESCRIPTION. Approximately 9.38 acres of unimproved land located in the Town of Shelter Island, Suffolk County, New York, and as set forth in the deed attached hereto as Schedule "A", and by reference incorporated herein.
3. TITLE DEED. Said premises are to be conveyed by Bargain and Sale Deed with Covenants against Grantor's Acts, and said deed shall convey a good and clear record and marketable title thereto, free from encumbrances, except:
  - a. Provisions of existing building, environmental and zoning laws;
  - b. Such taxes for the then current year as are not due and payable on the date of the delivery of such deed;
  - c. Any liens for municipal betterments assessed after the date of this agreement;
  - d. The terms, conditions, and restrictions of the Reservation of Conservation Easement and Declaration of Restrictive Covenants attached as Exhibit "B" to the deed attached hereto as Schedule "A."

The foregoing clauses (a)-(d) are hereinafter referred to as the "Permitted Exceptions."

4. PURCHASE PRICE. The purchase price for the premises shall be Five Hundred Thousand Dollars (\$500,000.00). The purchase price shall be tendered by Buyer at closing by wire transfer or by certified or bank treasurer's check.
5. TIME FOR PERFORMANCE; DELIVERY OF THE DEEDS. The conveyance of the premises from Seller to Buyer shall occur on October 28, 1999.
6. TITLE, SURVEYING, APPRAISAL, AND RECORDING COSTS. All title, surveying, and appraisal costs associated with the closing to occur hereunder shall be borne by the Buyer, as shall the recording and filing costs associated with the closing. Buyer shall be responsible for any Peconic Bay Region Community Preservation Fund tax due at closing, and Seller shall be responsible for any New York State real estate transfer tax due at closing. If desired, title insurance will be acquired on behalf of and at the expense of Buyer.

7. TITLE DEFECTS. Should the Buyer's title search disclose the existence of matters affecting title to the premises other than the Permitted Exceptions (any such matters shall hereinafter be referred to as "Defects"), Seller shall have sixty (60) days from the date of this Agreement to correct any such Defects. If at the expiration of sixty (60) days, the Seller shall have failed to remove any such Defects, then at Buyer's option the obligations of the parties shall cease and this Agreement shall be void and without recourse to the parties. Seller shall use reasonable efforts to remove any Defects, and shall remove any Defect created by Seller between the signing of this Agreement and the closing contemplated hereunder.
8. BUYER'S ELECTION. The Buyer shall have the election, at either the original or any extended time for performance, to accept such title as the Seller can deliver to the premises in their then condition, in which case the Seller shall convey such title.
9. ACCEPTANCE OF DEED. The acceptance of the deed by the Buyer shall be deemed to be a full performance and discharge of every agreement and obligation herein contained or expressed, except such as are, by the terms hereof, to be performed after or to survive the delivery of said deed.
10. RIGHTS TO BE CONVEYED. The conveyance shall also include the right, title, and interest of the Seller in and to any lands lying in the bed of any right-of-way, highway, road, street, or avenue, or in the bed of any waterway, marsh, pond, lake, bay, drainage or irrigation ditch, river, creek, or stream, running through the premises to be conveyed or lying in front or adjacent thereto, together with any and all right of ingress or egress over and across any private drive, land, waterway, or road, leading to and from any highway, road, street, or avenue, to the premises herein described. Buyer acknowledges that no right, title or interest of Seller in the creek bed to Miss Annie's Creek shall be conveyed to Buyer with the premises, nor any right, title or interest in Seller's shoreline property, tidal marshes, or any other property of Seller that is adjacent to or in the vicinity of the premises.
11. RISK OF LOSS; CONDITION OF PREMISES. All risk of loss or damage to the premises will pass from the Seller to the Buyer at closing. The Seller will deliver possession to the premises to the Buyer at closing. Buyer acknowledges and represents that Buyer is fully aware of the physical condition and state of repair of the premises, and that Buyer is entering into this Agreement based solely upon its inspection of and investigation of the premises, and shall accept the premises at closing "as is" in its present condition and natural state as of the date of this Agreement. Buyer acknowledges that Seller has made no representations as to the ability to develop the premises, and it shall be Buyer's sole responsibility to ascertain whether the premises can be developed and to obtain any and all approvals and permits to do so.
12. INSPECTION. Prior to the closing, the Buyer may enter upon the premises at reasonable times for all reasonable purposes related to this transaction.

13. AFFIDAVITS. Seller agrees at or prior to the closing contemplated hereunder to execute and furnish the Buyer with any incidental and necessary affidavits and real estate transfer forms (including, without limitation, a certification of nonforeign status in form acceptable to Buyer) as may be required by the title insurance company issuing a title insurance commitment for the premises.
14. MULTIPLE COPIES; CAPTIONS. This instrument, executed in multiple counterparts, is to be construed as a New York contract, is to take effect as a sealed instrument, is binding upon and endures to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns, and, except as otherwise provided in this Agreement, may be canceled, modified or amended only by a written instrument executed by both the Seller and Buyer. The captions and marginal notes are used only as a matter of convenience and are not to be considered a part of this Agreement or to be used in determining the intent of the parties to it.
15. NOTICES. Notices required or permitted hereunder shall be given in writing either by hand delivery, by certified mail, return receipt requested, postage prepaid, or by recognized overnight delivery service as follows

To SELLER:                               The Nature Conservancy  
South Fork-Shelter Island Chapter  
3 Railroad Avenue—P.O. Box Box 5125  
East Hampton, New York 11937  
Attn: Judy Cooper

copy to:                                   The Nature Conservancy  
415 River Street  
Troy, New York 12180  
Attn: Jonathan Kaledin, Esq.

To BUYER:                               James D. and Nancy H. Dougherty  
144 East 19<sup>th</sup> Street  
New York, New York 10003

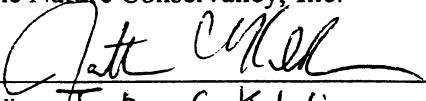
Copy to:                                   Stephen J. Schreiber, Esq.  
Patterson, Belknap, Webb & Tyler  
1133 Avenue of the Americas  
New York, New York 10036

16. REAL ESTATE COMMISSIONS. Seller and Buyer hereby represent and warrant to each other that they have not dealt with any real estate agent or broker in connection with this transaction. Such representation and warranty shall survive the closing contemplated hereunder.

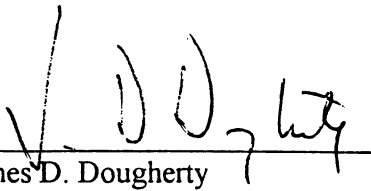
EXECUTED as a sealed instrument as of the date first above written.

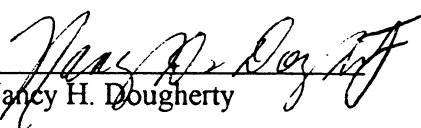
SELLER:

The Nature Conservancy, Inc.

By:   
Its: Jonathan C. Kaledin  
Hereunto Duly Authorized Counsel / Asst Secretary

BUYER:

  
James D. Dougherty

  
Nancy H. Dougherty

# Schedule "A"

## DEED

MADE the 28th day of October, 1999 between The Nature Conservancy, Inc., a nonprofit corporation organized under the laws of the District of Columbia, with a principal office at 4245 North Fairfax Drive, Arlington, Virginia 22203 and maintaining a South Fork/Shelter Island Chapter Office at 3 Railroad Place, P.O. Box 5125, East Hampton, New York 11937 (hereinafter referred to as "Party of the First Part"), and James D. Dougherty and Nancy H. Dougherty, husband and wife, with an address at 144 East 19<sup>th</sup> Street, New York, New York 10003 (hereinafter referred to as "Party of the Second Part"),

## WITNESSETH

THAT Party of the First Part, in consideration of Ten Dollars (\$10.00) and other valuable consideration paid by Party of the Second Part, the receipt and sufficiency of which are hereby acknowledged, does grant, release, convey and demise unto Party of the Second Part, its successors and assigns, all that certain piece or parcel of land (the "Premises") situate, lying and being on Thompson Road in the Town of Shelter Island, Suffolk County, New York, being more particularly bounded and described as follows: See Exhibit "A" attached hereto and incorporated by reference herein.

RESERVING AND RETAINING unto Party of the First Part a conservation easement whose terms, conditions, and restrictions are set forth in Exhibit "B" attached hereto and incorporated by reference herein. Said conservation easement shall be construed as established pursuant to the provisions of Title 3, Sections 49-0301 through 49-0311 of the New York Environmental Conservation Law (the "ECL"), together with any amendments thereto and substitutions therefor and regulations promulgated thereunder; shall be perpetual in duration (subject to ECL Section 49-0307); and the Grantor thereunder shall be deemed to be the Party of the Second Part. The terms, conditions, and restrictions set forth in Exhibit "B" hereto shall also constitute restrictive covenants encumbering the Premises that run with the land, are binding upon and enforceable against the Party of the First Part and Party of the Second Part and their successors and assigns, and shall inure to the benefit of and be enforceable by each.

TOGETHER with all right, title and interest, if any, of Party of the First Part in and to any streets and roads abutting the above described Premises to the center lines thereof;

TOGETHER with the appurtenances and all the estate and rights of Party of the First Part in and to the Premises.

TO HAVE AND TO HOLD the Premises herein granted unto the Party of the Second Part and its successors or assigns forever.



AND Party of the First Part hereby covenants that it has not done or suffered anything whereby the Premises have been encumbered in any way whatsoever, except as set forth in Exhibit "B".

ALSO that, in compliance with Section 13 of the Lien Law, Party of the First Part covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purposes.

IN WITNESS WHEREOF, Party of the First Part has duly executed this deed the day and year first above written.

WITNESS:

The Nature Conservancy, Inc.

\_\_\_\_\_  
By:  
Its:  
Hereunto Duly Authorized

State of New York            )  
County of New York        ) ss.

On the 28th day of October in the year 1999 before me, the undersigned, a Notary Public in and for said state, personally appeared Jonathan C. Kaledin, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

Exhibit "A"—Legal Description

All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Town of Shelter Island, County of Suffolk, State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the Northeasterly side of Thompson Road where the same intersects the Northerly line of Smith Cove (Clark's Cove), said point also being the Southwesterly corner of the within described premises;

RUNNING THENCE North 26 degrees 27 minutes 50 seconds West along the Northeasterly side of Thompson Road 407.96 feet;

THENCE North 2 degrees 11 minutes 00 seconds East part of the distance along the Easterly side of Thompson Road and along the Easterly line of Map Lots 54, 55 and 56 as shown on the subdivision map known as South Ferry Homesites, Section One (Map No.2811), a distance of 543.72 feet to the land now or formerly of The Nature Conservancy;

THENCE South 88 degrees 44 minutes 50 seconds East along the said land 233.98 feet to the Westerly line of Nicoll's Creek;

THENCE Southerly, Easterly and Southeasterly along the Westerly, Southwesterly and Southerly line of Nicoll's Creek the following ten (10) tie line courses and distances:

1. South 12 degrees 34 minutes 07 seconds East, 166.10 feet;
2. South 54 degrees 49 minutes 35 seconds East, 64.43 feet;
3. South 76 degrees 46 minutes 22 seconds East, 128.13 feet;
4. South 72 degrees 06 minutes 53 seconds East, 60.75 feet;
5. South 23 degrees 07 minutes 22 seconds East, 88.54 feet;
6. South 43 degrees 47 minutes 58 seconds East, 34.38 feet;
7. South 23 degrees 13 minutes 47 seconds East, 59.18 feet;
8. South 40 degrees 14 minutes 54 seconds East, 37.95 feet;
9. South 53 degrees 21 minutes 10 seconds East, 35.79 feet;
10. North 78 degrees 56 minutes 14 seconds East, 33.22 feet to the land now or formerly of The Nature Conservancy;

THENCE South 2 degrees 17 minutes 30 seconds West along the said land 190.48 feet to the Northwesterly line of Smith Cove (Clark's Cove);

THENCE Southwesterly along the Northwesterly line of Smith Cove (Clark's Cove) the following Five (5) tie line courses and distances:

1. South 58 degrees 07 minutes 46 seconds West, 153.77 feet;
2. South 61 degrees 13 minutes 42 seconds West, 137.73 feet;
3. South 62 degrees 03 minutes 57 seconds West, 150.96 feet;
4. South 68 degrees 39 minutes 48 seconds West, 110.88 feet;
5. South 80 degrees 22 minutes 45 seconds West, 16.59 feet to the Northeasterly side of Thompson Road at the point and place of BEGINNING.

The Premises herein described are the same and are intended to be the same as those conveyed by deed to the Party of the First Part on September 2, 1999, which deed was recorded September 8, 1999 at the Suffolk County Clerk's Office in Liber 11987, cp 706. Said Premises being known as 21 Thompson (Hill) Road, Shelter Island, New York.

Record and Return to:

Stephen J. Schreiber, Esq.  
Patterson, Belknap, Webb & Tyler  
1133 Avenue of the Americas  
New York, New York 10036

Exhibit "B"—Reservation of Conservation Easement and  
Declaration of Restrictive Covenants

## Exhibit "B"

### RESERVATION OF CONSERVATION EASEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

This RESERVATION OF CONSERVATION EASEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this document is hereinafter referred to as the "Conservation Easement") is made by The Nature Conservancy, Inc. (hereinafter called the "Conservancy"), a non-profit corporation incorporated under the laws of the District of Columbia, having its headquarters at 4245 North Fairfax Drive, Arlington, Virginia 22203 and maintaining a South Fork-Shelter Island Chapter Office at 3 Railroad Avenue, P.O. Box 5125, East Hampton, New York 11937. The Conservancy is qualified under Article 49, Title 3 of the New York State Environmental Conservation Law (the "ECL") to hold conservation easements by purchase, gift, conveyance, grant, demise, or otherwise, and has as its purpose the preservation of natural areas for scientific, charitable, educational, and aesthetic purposes.

#### WITNESSETH:

WHEREAS, the Conservancy is the owner in fee simple title of certain real property located in the Town of Shelter Island, Suffolk County, New York, and more particularly described in Exhibit "A" attached hereto and by reference incorporated herein (hereinafter called the "Protected Property"), which Protected Property has significant ecological, scientific, educational, and aesthetic value in its present state as a natural area. The Protected Property is also shown on that map entitled "Survey Map of Property of James and Nancy Dougherty—Thompson Hill, Shelter Island" prepared by Young and Young, Land Surveyors, and last dated October 22, 1999 (hereinafter "the Map"). The Map is attached hereto as Exhibit "B" and is also by reference incorporated herein. The Protected Property is being conveyed to James D. and Nancy H. Dougherty (hereinafter referred to collectively as the "Grantee") under the deed to which this Conservation Easement is attached and incorporated by reference therein; and

WHEREAS, the Protected Property in its present natural condition has significant natural resources value, has not been subject to development or exploitation, provides important protection to the Conservancy's Mashomack Nature Preserve as a buffering property, and is in general characterized as a scenic and environmentally sensitive property providing, among other things, habitat for wildlife and plants;

WHEREAS, the Legislature of the State of New York has declared the public policy of the State to be conservation, preservation, and protection of its environmental assets and natural and man-made resources, and in furtherance thereof has enacted Article 49, Title 3, of the ECL to provide for and encourage the limitation and restriction of development and use of real property through conservation easements; and

WHEREAS, Grantee and the Conservancy desire to provide for the preservation and conservation of the Protected Property in perpetuity, and desire to limit the uses of and activities on the Protected Property to those that are compatible with the preservation and conservation goals set forth herein; and

WHEREAS, the specific conservation values of the Protected Property are documented in an Easement Baseline Documentation Report dated October 28, 1999, prepared by the Conservancy and signed by the Grantee, establishing the baseline condition of the Protected Property at the time of this grant and including reports, maps, photographs and other documentation; and

NOW, THEREFORE, in connection with the conveyance of the Protected Property by the Conservancy to Grantee, made in consideration of the covenants contained herein and for other valuable consideration, the Conservancy does hereby reserve and retain unto itself a conservation easement over the Protected Property that shall run with the land, exist in perpetuity, and shall consist of the terms, conditions, and restrictions set forth below. The terms, conditions, and restrictions set forth below shall also be deemed restrictive covenants that run with the land, encumber the Protected Property, benefit the Conservancy's adjoining Mashomack Nature Preserve property, and constitute restrictive covenants that are enforceable by the parties hereto.

1. Purpose. It is the purpose of this Conservation Easement:
  - a) to assure that the Protected Property will be retained forever predominantly in its natural and scenic condition;
  - b) to protect the scenic and natural character of both the Protected Property and the adjacent Mashomack Preserve;
  - c) to protect the public's view of and the natural integrity of the shoreline and bluffs associated with the Protected Property;
  - d) to ensure that the use of the Protected Property will be consistent with the residential character of the adjacent and nearby lands;
  - e) to prevent any use of the Protected Property that will significantly impair or interfere with the conservation values or resources of the Protected Property described above and documented in the Easement Baseline Documentation Report; and
  - f) to maintain and preserve the water quality of Miss Annie's Creek by limiting activities in the creek and on its banks from the Protected Property and by limiting activities within that portion of the watershed to Miss Annie's Creek existing within the Protected Property.

Grantee acknowledges and accepts that the reservation and declaration provided for herein will encumber the Protected Property and confine the use of the Protected Property to such activities as are not prohibited by this Conservation Easement.

2. Uses. The Protected Property shall be used only for single family residential purposes and for accessory uses incidental and ancillary thereto, including a professional office or customary home occupation engaged in by the residents of the Protected Property. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited except as provided herein:

2.1 Structures. No buildings, facilities, or structures (collectively "structures"), including but not limited to commercial, industrial, and residential buildings and appurtenances thereto, mobile homes, recreational vehicles and camper trailers, camping accommodations, boathouses, towers, fences, gates and railings, or other structures, shall be constructed or maintained on the Protected Property except as follows:

a) Grantee may construct on the Protected Property one (1) single family residential structure, including accessory structures incidental and ancillary thereto such as utility structures, fences, gates and railings, garages, a swimming pool, tennis court, home office space, a guest cottage, a writer's cabin, etc., provided that such structures may only be located within the "permitted area" indicated on the Map, and within the "permitted area" may not be closer than one hundred feet (100') to the "Top of Bluff" as shown on the Map, measured from the southernmost outermost actual extension of the bluff. Notwithstanding anything to the contrary set forth above, fences, gates and railings may be erected anywhere within the "permitted area," and seasonal, removable structures that do no harm to the Protected Property, such as benches, tables, chairs, gazebos, bird baths, screened tents, etc., may be placed anywhere on the Protected Property. The legal description of the "permitted area" is attached as Exhibit "C" hereto and is by reference incorporated herein. Prior to constructing or placing any permanent structure on the Protected Property within that portion of the "permitted area" that is below the fifty foot (50') contour and in the direction of Miss Annie's Creek (shown as the "Cabin Area" on the Map; its legal description is attached as Exhibit "D" hereto), Grantee shall prepare and submit to the Conservancy's Mashomack field staff (in the event no Mashomack field staff exists, then as the Conservancy so directs) for approval the plans for such structures. The Conservancy's approval of plans that are submitted pursuant to this paragraph 2.1 a) shall not be unreasonably withheld, conditioned, or delayed, and in the event the Conservancy has not responded within sixty (60) days to such a submittal, approval shall be deemed granted.

b) Septic facilities in support of the above permitted residential structures may be constructed and installed on the Protected Property provided that such facilities must be located within the "permitted area" indicated on the Map, and shall be designed, constructed, installed, and maintained so as to have no appreciable effect on the watershed of Miss Annie's Creek or the creek itself. Any such facilities must adhere to all applicable federal, state, and local requirements. Should the Conservancy so desire, it may at any time (at its own expense), upon reasonable notice to Grantee and at a mutually agreed-to time, test the septic facilities on the Protected Property by dye test (or by another wastewater industry-accepted test).

## 2.2 Roads and Foot Trails.

a) Grantee may improve and maintain the "Earth Road" as shown on the Map on the Protected Property. Grantee may also relocate at its discretion the Earth Road within the "permitted area," except that the Earth Road may not be relocated into the "Cabin Area" as shown on the Map. All utilities necessary for the construction, maintenance, and operation of any structure permitted hereunder shall also be located within the Earth Road corridor as shown on the Map, except for utilities servicing structures whose utility service cannot be readily provided by the utilities located within this road corridor. All utilities located outside the Earth Road corridor shall be constructed, maintained, and operated in such a manner so as to avoid undue impacts upon the Protected Property.

b) Grantee may construct and maintain foot trails on the Protected Property, provided that foot trails shall not be greater than six feet (6') in width and (i) shall not be located closer than fifty feet (50') to Miss Annie's Creek, (ii) shall not be located closer than ten feet (10') to the landward limit of tidal wetlands as shown on the Map, and (iii) shall not be located closer than ten feet (10') to the edge of the shoreline bluff of the Protected Property. All trails shall be constructed so as to minimize impacts on native vegetation and so as to not redirect or impede natural surface water runoff, and will be covered with porous material if Grantee chooses to cover these foot trails. Notwithstanding anything to the contrary set forth above, any foot trail constructed within fifteen feet (15') of the edge of the shoreline bluff shall be limited to three feet (3') in width, and a foot trail leading down to the Protected Property's shoreline on Smith Cove shall be permitted provided that this foot trail shall be limited to three feet (3') in width and shall be located as close to the easternmost boundary of the Protected Property as is feasible.

2.3 Consultation with Conservancy. When exercising the rights granted under paragraphs 2.1 and 2.2 of this Conservation Easement, Grantee agrees to share with the Conservancy all plans prepared in connection with exercising such rights, and after doing so will consult with the Conservancy as to such plans.

2.4 Mining, Changes in Topography, Etc. There shall be no ditching, draining, diking, filling, excavating, dredging, mining or drilling, removal of topsoil, sand, gravel, rock, minerals or other materials, nor any building of roads or change in the natural topography of the land in any manner except:

a) as reasonably necessary to construct the structures, roads and trails contemplated hereunder, and as subject to the terms and conditions of this Conservation Easement;

b) to the extent required by applicable law, with the prior written consent and approval of any local, state, or federal agency or entity having regulatory authority over such activities.

2.5 Vegetation. There shall be no removal, destruction, or cutting of trees, brush or other vegetation, clearing, cutting or trimming of vegetation to create views, use of fertilizers, spraying with herbicides, or planting of those invasive trees or plants listed in the "Invasive Plant List" prepared and dated October 28, 1999, which Invasive Plant List has been signed by the Conservancy and Grantee on such date and a copy of which is in the possession of the



Conservancy and Grantee (and which may from time to time be amended as the parties mutually agree), or disturbance or change in the natural habitat of the Protected Property in any manner except:

- a) as may be reasonably necessary to construct or maintain the structures, septic facilities, roads, and foot trails as provided herein;
- b) as may be reasonably necessary to remove dead, dying or diseased trees, or trees which present an imminent safety hazard;
- c) firewood for the personal consumption of the Grantee may be cut provided that such cutting and harvesting is limited to (i) anywhere within the "permitted area," except not within that portion of the "Cabin Area" that is below the fifty foot (50') contour line, or (ii) outside the "permitted area" provided it is not below the fifty foot (50') contour line on the Protected Property in the direction of Miss Annie's Creek and not closer than thirty feet (30') to the shoreline bluff;
- d) cat briar (*Smilax species*) may be removed anywhere on the Protected Property, provided that in doing so the use of machinery, equipment, or techniques that will unduly impact soil and sand conditions on the Protected Property is prohibited;
- e) within the area set forth as the "Viewshed Area" on the Map (a legal description of the Viewshed Area is attached hereto as Exhibit "E"), Grantee (i) may trim, prune, and cut trees, (ii) may remove brambles, brush, and low-lying vegetation, and (iii) may establish a limited gardens and lawns area pursuant to this paragraph 2.5 e) (hereinafter collectively referred to as "vegetation removal activities"). All vegetation removal activities must meet the following conditions: (1) the use of machinery, equipment, or techniques that will unduly impact the soil and sand conditions within the Viewshed Area is forbidden, (2) no stump removal shall be allowed at any time (except within any lawn area (but not garden area) established within the Viewshed Area), nor shall any other practice be allowed that will unduly impact the soil and sand conditions within the Viewshed Area, and (3) vegetation removal activities in the Viewshed Area shall occur only pursuant to the "Viewshed Area Plan" prepared and dated October 28, 1999, which Viewshed Area Plan has been signed by the Conservancy and Grantee on such date and a copy of which is in the possession of the Conservancy and Grantee (and which plan may from time to time be amended as the parties mutually agree). The Viewshed Area Plan sets forth procedures for undertaking vegetation removal activities within the Viewshed Area, establishing limited gardens and lawns in the Viewshed Area, and for ongoing slope and ravine stabilization through terracing, plantings, and other means. All vegetation removal activities, establishment of limited gardens and lawns, and bluff, slope, and ravine stabilization activities undertaken within the Viewshed Area shall occur only pursuant to this plan. It is the intent of this paragraph 2.5 e) to curtail and control erosion within the Viewshed Area on the Protected Property as much as possible while providing Grantee with the enjoyment of views across the Viewshed Area from the principal residence constructed on the Protected Property;
- f) outside of the "permitted area" and the Viewshed Area, and below the fifty foot (50') contour line in the direction of Miss Annie's Creek, only selective, minimal brush and tree

trimming, pruning, and cutting may occur. No such activity may destabilize or unduly impact the existing soil and sand conditions on the Protected Property. All brush and tree trimming, pruning, and cutting shall be by hand, or by use of machinery, equipment, or techniques that will not unduly impact the soil and sand conditions of the Protected Property. Prior to undertaking any such activities, Grantee shall give the Conservancy notice at the Mashomack Preserve only ("local notice") of such proposed activities and, within ten (10) days of receiving such notice, the Conservancy shall visit the Protected Property to review and approve of such activities. Failure of the Conservancy to disapprove of such activities within fifteen (15) days of receipt of notice shall be deemed approval of such activities. The Conservancy's approval of such activities shall be at the Conservancy's sole discretion (after full and reasonable consideration of the reasons underlying Grantee's request), and approvals granted by the Conservancy for such activities may be conditioned to include required plantings and other soil erosion control techniques determined to be reasonably necessary by the Conservancy;

g) to establish gardens and lawns associated with the residential buildings on the Protected Property, provided that (i) gardens and lawns shall be allowed within the "permitted area" shown on the Map (except that no gardens or lawns shall be allowed in the "Cabin Area"), and (ii) within the Viewshed Area, gardens and lawns may be established pursuant only to the Viewshed Area Plan.

2.6 Waste Disposal. There shall be no dumping of ashes, trash, garbage, or other unsightly or offensive material, and no changing of the natural topography through the placing of soil or other substance or material such as land fill or dredging spoils, nor shall activities be conducted on the Protected Property which are reasonably likely to cause erosion, siltation, or affect the natural drainage on the Protected Property or adjacent Mashomack Preserve, except as otherwise provided herein. The composting of household materials and application of composting products may occur within the "permitted area."

2.7 Water Courses. There shall be no manipulation or alteration of water courses, coastal shoreline, beaches, coastal bluffs, or other water or land bodies, including the placement of gabions or other rip-rap along the shores, or the placement of any other "hard structures" now or developed in the future for coastal erosion control purposes, nor shall there be activities conducted on the Protected Property which would be detrimental to water purity, or which could alter natural water level or flow. One (1) non-seasonal dock (unless otherwise required by regulatory authorities) shall be allowed in the Smith Cove portion of Shelter Island Sound (no dock may ever be erected in Miss Annie's Creek), provided that Grantee shall give notice to and consult with the Conservancy concerning the construction and placement of the dock. Grantee shall use best efforts to disturb minimally both shoreline and submerged vegetation when placing, constructing, and using the dock, and shall be responsible for applying for and receiving all required federal, state, and local permits and approvals. Placement and construction of the dock shall be pursuant to the following conditions: (1) the dock shall be located along the stretch of the Protected Property's shoreline shown on the Map as "Dock Location;" (2) the dock shall be no more than four feet (4') in width; (3) the dock shall be as short as is feasible; (4) the spans of the dock shall be as long as is feasible; and (5) the dock shall be constructed, to the maximum extent feasible, of non-toxic leaching materials. The conditions set forth above may be waived by the Conservancy in writing should the Conservancy determine that the

conservation interests to be protected under this Conservation Easement do not require that these conditions be met, or lead the parties jointly to conclude that other conditions should be imposed upon the construction and maintenance of a dock at the Protected Property.

2.8 Development Rights. The Protected Property and any portion thereof shall not be included as part of the gross area of other property not subject to this Conservation Easement for the purposes of determining density, lot coverage, or open space requirements under otherwise applicable laws, regulations or ordinances controlling land use and building density. No development rights which have been encumbered or extinguished by this Conservation Easement shall be transferred to any other lands pursuant to a transferable development rights scheme or cluster development arrangement or otherwise; provided, however, that with prior written permission of the Conservancy, this paragraph shall not preclude such transfer of development rights resulting from the destruction or demolition of any residential building on the Protected Property allowed to be maintained or constructed as herein provided.

2.9 Subdivision. There shall be no subdivision of the Protected Property, in fact or in law, whether by sale, lease or license or any other form of separate ownership occupation. The Protected Property shall not be devised or conveyed except as a unit. Mortgages or other non-possessory interests in land do not constitute subdivisions for the purposes herein, provided such interests encompass the whole Protected Property.

3. Rights of the Conservancy. In order to accomplish the purposes of this Conservation Easement, the rights retained and reserved by the Conservancy hereunder are as follows:

3.1. The right to enter the Protected Property at all reasonable times, with prior notice to Grantee, for the purposes of: (a) inspecting the Protected Property to determine if the Grantee is complying with the covenants and purposes of this Conservation Easement; (b) enforcing the terms of this Conservation Easement; (c) making scientific and educational observations and studies and taking samples in such a manner as will not disturb the quiet enjoyment of the Protected Property by the Grantee; and (d) monitoring and management as described below. The rights granted to the Conservancy under this paragraph shall not extend to the interiors of any structures erected on the Protected Property, and the Conservancy shall, but for emergency situations, afford Grantee as much privacy as possible within the "permitted area" in the exercise of such rights.

3.2 The right, but not the obligation, to monitor the condition of any rare plant and animal populations, plant communities, and natural habitats on the Protected Property, and to manage them, if necessary, to ensure their continued presence and viability on the Protected Property. Such activities shall be in accordance with the customary management practices of the Conservancy, and, as a precondition to such activities, any such management activities shall be set forth in a written management plan to be reviewed and approved by the Grantee, which approval shall not be unreasonably withheld, conditioned, or delayed.

3.3 The right, in accordance with applicable law, to prevent any activity on or use of the Protected Property that is prohibited by this Conservation Easement, and to require the

restoration of such areas or features of the Protected Property that may be damaged by any prohibited activity or use.

3.4 The Conservancy's consent for activities or uses otherwise prohibited under paragraph 2 above may be given under the following conditions and circumstances. If, owing to unforeseen or changed circumstances, the Conservancy and Grantee deem any of the prohibited activities or uses listed in paragraph 2 desirable, the Conservancy may, in its sole discretion, give permission for such activities or uses, subject to the limitations herein. Such requests for permission shall be in writing and shall describe the proposed activity in sufficient detail to allow the Conservancy to judge the consistency of the proposed activity or use with the purpose of this Conservation Easement. The Conservancy may give its permission only if it determines, using reasonable discretion, that such activities or uses (1) do not violate the purpose of this Conservation Easement and (2) either enhance or do not impair any significant conservation interests associated with the Protected Property. Notwithstanding the foregoing, the Conservancy and Grantee have no right or power to agree to any activities or uses that would result in the termination of this Conservation Easement or to allow any residential, commercial or industrial structures or any residential, commercial or industrial activities or uses not provided for above.

#### 4. Grantee's Rights and Responsibilities.

4.1. The right to undertake or continue any activity or use of the Protected Property not prohibited by this Conservation Easement.

4.2. The right to sell, give, mortgage, lease, or otherwise convey the Protected Property, provided such conveyance is subject to the terms of this Conservation Easement and written notice is provided to the Conservancy in accordance with paragraph 6.16 below.

4.3. Grantee shall hold all rights and responsibilities, and bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Protected Property, including the maintenance of adequate comprehensive general liability insurance coverage. Grantee shall keep the Conservancy's interest in the Protected Property free of any liens arising out of any work performed for, materials furnished to or obligations incurred by Grantee. Grantee agrees to release, hold harmless, defend and indemnify the Conservancy from any and all liabilities including, but not limited to, injury, losses, damages, judgments, costs, expenses and fees which the Conservancy may suffer or incur as a result of or arising out of the activities of Grantee on the Protected Property. The Conservancy agrees to release, hold harmless, defend and indemnify Grantee from any and all liabilities including, but not limited to, injury, losses, damages, judgments, costs, expenses and fees which Grantee may suffer or incur as a result of or arising out of the activities of the Conservancy on the Protected Property.

4.4 The Grantee agrees to pay any real estate taxes or other assessments levied on the Protected Property. If the Grantee becomes delinquent in payment of said taxes or assessments, such that a lien created against the land is to be executed upon, the Conservancy, at its option, shall, after written notice to the Grantee, have the right to pay such taxes or assessments, including any interest and penalties due thereon, or to take such other actions as may be necessary to protect the Conservancy's interest in the Protected Property and to assure the

continued enforceability of this Conservation Easement, and may recoup the costs of doing so from Grantee.

5. No Public Access. Nothing contained in this Conservation Easement shall give or grant to the public a right to enter upon or to use the Protected Property or any portion thereof.

6. Miscellaneous.

6.1. In the event that the Conservancy becomes aware of a violation of the terms of this Conservation Easement, the Conservancy shall give notice to the Grantee, at Grantee's last known post office address, of such violation via certified mail, return receipt requested, and request corrective action sufficient to abate such violation and restore the Protected Property to its previous condition at the time of the signing of this Conservation Easement. Grantee agrees that the Easement Baseline Documentation Report shall be deemed to provide objective information concerning the Protected Property's condition at such time. Failure by the Grantee to cause discontinuance, abatement or such other corrective action as may be requested by the Conservancy within thirty (30) days after receipt of such notice (provided that the Conservancy's notice correctly identifies a violation) shall entitle the Conservancy to bring an action at law or equity in a court of competent jurisdiction to enforce the terms of this Conservation Easement; to require the restoration of the property to its previous condition; to enjoin such non-compliance by temporary or permanent injunction in a court of competent jurisdiction; and/or to recover any damages arising from such noncompliance. Such damages, when recovered, may be applied by the Conservancy, in its sole discretion, to corrective action on the Protected Property. If such court determines that the Grantee has failed to comply with this Conservation Easement, Grantee shall reimburse the Conservancy for any reasonable costs of enforcement, including costs of restoration; furthermore, if Grantee is determined to have acted in bad faith in failing to comply with this Conservation Easement, Grantee shall reimburse the Conservancy its court costs and reasonable attorneys' fees, in addition to any other payments ordered by such court.

6.2. If the Conservancy, in its reasonable discretion, determines that circumstances require immediate action to prevent or mitigate possibly irreparable damage to the conservation values of the Protected Property, the Conservancy may pursue its remedies hereunder without complying with the prior notice or cure period requirements of paragraph 6.1 above.

6.3. The Conservancy does not waive or forfeit the right to take action as may be necessary to insure compliance with this Conservation Easement by any prior failure to act and Grantee hereby waives any defense of laches with respect to any delay by the Conservancy, its successors or assigns, in acting to enforce any restriction or exercise any rights under this Conservation Easement.

6.4. Nothing herein shall be construed to entitle the Conservancy to institute any enforcement proceedings against the Grantee for any changes to the Protected Property due to causes beyond the Grantee's control, such as changes caused by erosion, hurricane, fire, flood, storm, earthquake, the unauthorized wrongful acts of third persons, or changes in law requiring Grantee to act. In the event of violations of this Conservation Easement caused by unauthorized wrongful acts of third persons, at the Conservancy's option, Grantee agrees to assign its right of

action to the Conservancy, to join in any suit, and/or to appoint the Conservancy its attorney-in-fact for the purposes of pursuing enforcement action. In the event that the Conservancy exercises the right to act as Grantee's attorney-in-fact, the Conservancy shall release, hold harmless, defend and indemnify Grantee from any and all liabilities, including but not limited to injury, losses, damages, judgments, costs, expenses and fees which Grantee may suffer or incur as a result of or arising out of the Conservancy's exercise of such right.

6.5. The covenants agreed to and the terms, conditions, and restrictions imposed by this Conservation Easement shall not only be binding upon the Grantee and the Conservancy but also their lessees, agents, personal representatives, successors and assigns, and all other successors to Grantee and the Conservancy in interest, and shall continue as a servitude running in perpetuity with the Protected Property.

6.6. Grantee agrees that the terms, conditions, restrictions and purposes of this Conservation Easement or reference thereto will be inserted by Grantee in any subsequent deed or other legal instrument by which the Grantee divests either the fee simple title or possessory interest in the Protected Property; and Grantee further agrees to notify the Conservancy of any pending transfer at least thirty (30) days in advance.

6.7. Grantee and the Conservancy agree that the terms of this Conservation Easement shall survive any merger of the fee and easement interest in the Protected Property.

6.8. The parties hereto recognize and agree that the benefits of this Conservation Easement are in gross and assignable, and the Conservancy hereby covenants and agrees that in the event it transfers or assigns this Conservation Easement, the organization receiving the interest will be qualified to hold interests in Conservation Easements under Article 49, Title 3 of the ECL, and the Conservancy further covenants and agrees that the terms of the transfer or assignment will be such that the transferee or assignee will be required to continue to carry out in perpetuity the conservation purposes which this Conservation Easement was originally intended to advance.

6.9. The Grantee hereby agrees that at the time of the reservation and retention of this Conservation Easement by the Conservancy, this Conservation Easement gives rise to a real property right, immediately vested in the Conservancy, with a fair market value of said Conservation Easement as of the date of the reservation and retention that is at least equal to the proportionate value that this Conservation Easement bears to the fair market value of the property as a whole. That proportionate value of the Conservancy's property rights shall remain constant. When a change in conditions takes place which makes impossible or impractical any continued protection of the Protected Property for conservation purposes, and the restrictions contained herein are extinguished by judicial proceeding, the Conservancy, upon a subsequent sale, exchange or involuntary conversion of the Protected Property, shall be entitled to a portion of the proceeds at least equal to that proportionate value of the Conservation Easement. The Conservancy shall use its share of the proceeds in a manner consistent with the conservation purposes set forth herein.

6.10. Whenever all or part of the Protected Property is taken in exercise of eminent domain by public, corporate, or other authority so as to abrogate the restrictions imposed by this

Conservation Easement, the Grantee and the Conservancy shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking, which proceeds shall be divided in accordance with the proportionate value of the Grantee's and Conservancy's interests, and the Conservancy's proceeds shall be used as specified above. All expenses incurred by the Grantee and the Conservancy in such action shall be paid out of the recovered proceeds.

6.11. If any provision of this Conservation Easement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of this Conservation Easement and the application of such provisions to persons or circumstances other than those as to which it is found to be invalid shall not be affected thereby.

6.12. The term "Grantee" shall include the Grantee and the Grantee's heirs, executors, administrators, successors and assigns and shall also mean the masculine, feminine, corporate, singular or plural form of the word as needed in the context of its use. The term "Conservancy" shall include The Nature Conservancy and its successors and assigns.

6.13. The Grantee agrees, upon the Conservancy's request, to execute any notices or instruments to be filed or recorded for the purpose of assuring the perpetual enforceability of this Conservation Easement. Should Grantee not comply with such a request from the Conservancy within thirty (30) days of receipt by Grantee, it is also hereby agreed that after such thirty (30) day period Grantee appoints the Conservancy its attorney-in-fact to execute, acknowledge and deliver any such necessary notice or instrument on Grantee's behalf. The Conservancy shall immediately provide Grantee with copies of all filed or recorded notices or instruments filed or recorded on behalf of Grantee by the Conservancy.

6.14. The captions herein have been inserted solely for convenience of reference and are not a part of this Conservation Easement and shall have no effect upon construction or interpretation.

6.15. The Conservancy agrees that, to the extent feasible, the administration of the responsibilities and rights held under this Conservation Easement by the Conservancy, including but not limited to all approval rights and monitoring of this Conservation Easement for the purpose of determining compliance with its terms, conditions, and restrictions, shall be undertaken by the Mashomack Preserve field staff of the Conservancy.

6.16 Any notices required in this Conservation Easement shall be sent by registered or certified mail to the following address or such address as may be hereafter specified by notice in writing:

Grantee: James and Nancy Dougherty, 144 East 19<sup>th</sup> Street, New York, New York 10003;

Conservancy: The Nature Conservancy, 4245 North Fairfax Drive, Arlington, Virginia 22203 and 3 Railroad Avenue, P.O. Box 5125, East Hampton, New York 11937.

Local notice: Mashomack Preserve, P.O. Box 850, 47 South Ferry Road, Shelter Island,  
New York, 11964

IN WITNESS WHEREOF, the Grantee and the Conservancy have signed this Reservation of  
Conservation Easement and Declaration of Restrictive Covenants this 28th day of October, 1999.

GRANTEE:

\_\_\_\_\_  
James D. Dougherty

\_\_\_\_\_  
Nancy H. Dougherty

THE NATURE CONSERVANCY, INC.

\_\_\_\_\_  
By: Jonathan C. Kaledin  
Its: New York State Counsel/Assistant Secretary  
Hereunto Duly Authorized

State of New York     )  
County of               ) ss.

On the 28th day of October in the year 1999 before me, the undersigned, personally appeared James D. and Nancy H. Dougherty, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

State of New York     )  
County of               ) ss.

On the 28th day of October in the year 1999 before me, the undersigned, personally appeared Jonathan C. Kaledin, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Exhibit "A"—Property Description

All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Town of Shelter Island, County of Suffolk, State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the Northeasterly side of Thompson Road where the same intersects the Northerly line of Smith Cove (Clark's Cove), said point also being the Southwesterly corner of the within described premises;

RUNNING THENCE North 26 degrees 27 minutes 50 seconds West along the Northeasterly side of Thompson Road 407.96 feet;

THENCE North 2 degrees 11 minutes 00 seconds East part of the distance along the Easterly side of Thompson Road and along the Easterly line of Map Lots 54, 55 and 56 as shown on the subdivision map known as South Ferry Homesites, Section One (Map No.2811), a distance of 543.72 feet to the land now or formerly of The Nature Conservancy;

THENCE South 88 degrees 44 minutes 50 seconds East along the said land 233.98 feet to the Westerly line of Nicoll's Creek;

THENCE Southerly, Easterly and Southeasterly along the Westerly, Southwesterly and Southerly line of Nicoll's Creek the following ten (10) tie line courses and distances:

1. South 12 degrees 34 minutes 07 seconds East, 166.10 feet;
2. South 54 degrees 49 minutes 35 seconds East, 64.43 feet;
3. South 76 degrees 46 minutes 22 seconds East, 128.13 feet;
4. South 72 degrees 06 minutes 53 seconds East, 60.75 feet;
5. South 23 degrees 07 minutes 22 seconds East, 88.54 feet;
6. South 43 degrees 47 minutes 58 seconds East, 34.38 feet;
7. South 23 degrees 13 minutes 47 seconds East, 59.18 feet;
8. South 40 degrees 14 minutes 54 seconds East, 37.95 feet;
9. South 53 degrees 21 minutes 10 seconds East, 35.79 feet;
10. North 78 degrees 56 minutes 14 seconds East, 33.22 feet to the land now or formerly of The Nature Conservancy;

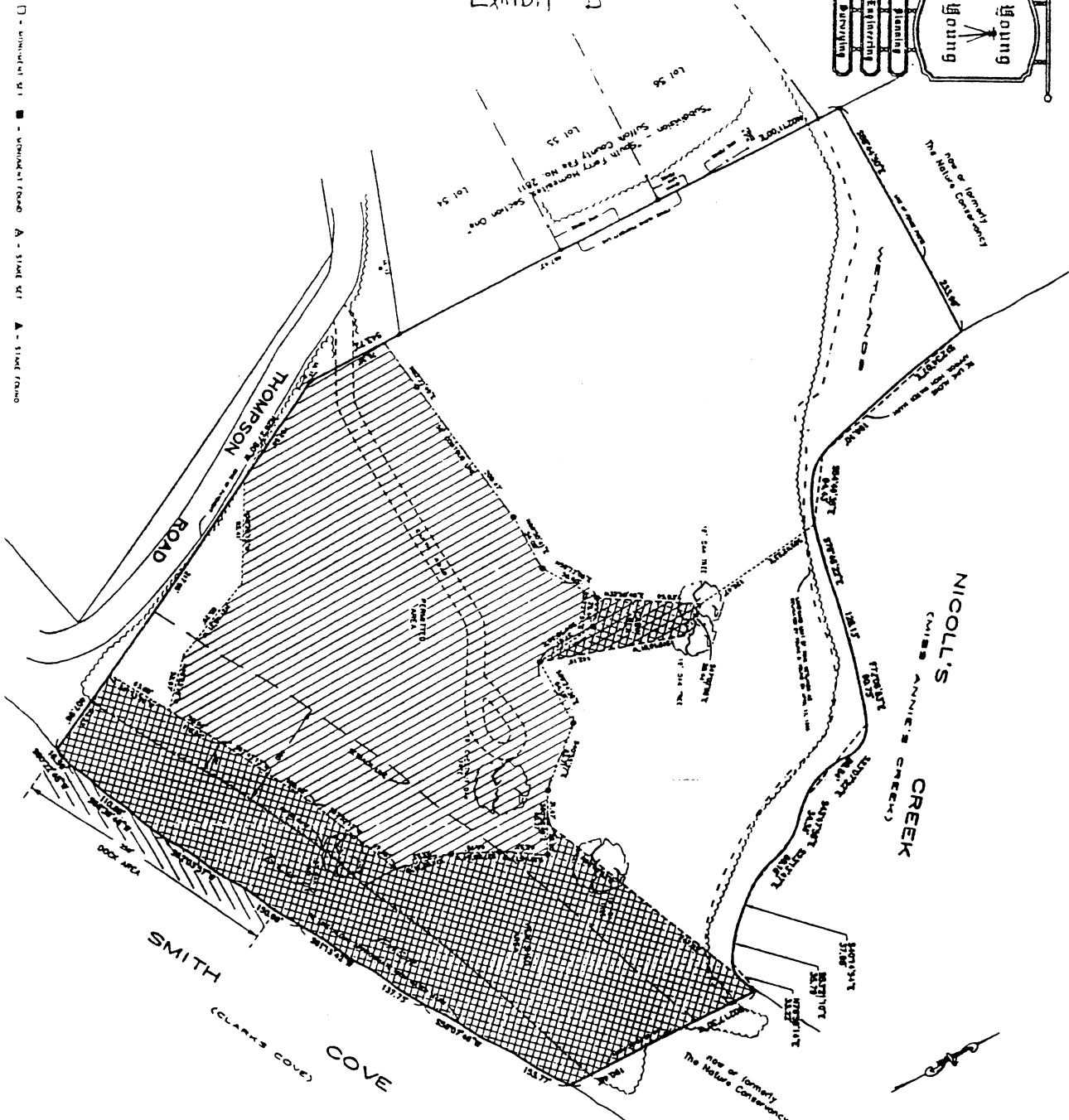
THENCE South 2 degrees 17 minutes 30 seconds West along the said land 190.48 feet to the Northwesterly line of Smith Cove (Clark's Cove);

THENCE Southwesterly along the Northwesterly line of Smith Cove (Clark's Cove) the following Five (5) tie line courses and distances:

1. South 58 degrees 07 minutes 46 seconds West, 153.77 feet;
2. South 61 degrees 13 minutes 42 seconds West, 137.73 feet;
3. South 62 degrees 03 minutes 57 seconds West, 150.96 feet;
4. South 68 degrees 39 minutes 48 seconds West, 110.88 feet;
5. South 80 degrees 22 minutes 45 seconds West, 16.59 feet to the Northeasterly side of Thompson Road at the point and place of BEGINNING.

CONTAINING within said bounds 9.3790 acres.

[Symbol] - Unimproved St. [Symbol] - Unimproved Road [Symbol] - State St. [Symbol] - State Road



**Young & Young, Land Surveyors**  
 400 Ostrander Avenue, Riverhead, New York 1190  
 516-727-2303  
 Alden W. Young, P.E. & L.S. (1908-1994)  
 Howard W. Young, Land Surveyor  
 Thomas C. Kolbert, Professional Engineer  
 John Schmitt, Land Surveyor

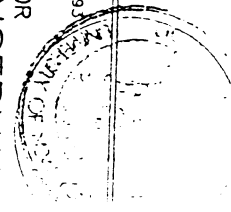
**NOTE**

AREA = 408,550 SQ. FT. or 9.3790 ACRES  
 PERMITTED AREA = 2.7445 ACRES (INCLUDING CABIN)  
 CABIN AREA = 0.0973 ACRES  
 VIEW SHED AREA = 1.8478 ACRES

**CERTIFICATION**

• WE HEREBY CERTIFY TO JAMES DOUGHERTY, NANCY DOUGHERTY, THE NATURE CONSERVANCY, CHARLES HENRY COSTER GERARD, TRUSTEE OF THE TRUST ESTABLISHED UNDER THE WILL OF SUMNER GERARD, ESTATE OF JAMES W. GERARD AND LAWYERS TITLE INSURANCE CORPORATION THAT THIS SURVEY WAS PREPARED IN ACCORDANCE WITH THE CODE OF PRACTICE FOR LAND SURVEYS ADOPTED BY THE NEW YORK STATE ASSOCIATION OF PROFESSIONAL LAND SURVEYORS

*John Schmitt*  
 JOHN SCHMITT, N.Y.S. L.S. NO. 49517  
 HOWARD W. YOUNG, N.Y.S. L.S. NO. 45893



SURVEY FOR  
**THE NATURE CONSERVANCY**  
**THE MASHOMACK PRESERVE**  
 At Shelter Island, Town of Shelter Island  
 Suffolk County, New York  
 County Tax Map District 700 Section 24 Block 01 Lot 1  
**TITLE SURVEY**

MAP PREPARED  
 SCALE 1" = 100'  
 OCT. 22, 1991  
 AUG. 27, 1991  
 JULY 30, 1991  
 JOB NO. 99-0402

Exhibit "C"—Legal Description of "Permitted Area"

ALL that certain plot, piece, or parcel of land with the buildings and improvements thereon erected, situate, lying, and being at Shelter Island, Town of Shelter Island, Suffolk County, and State of New York, bounded and described as follows:

BEGINNING at a point on the northeasterly side of Thompson Road, said point being North 26 deg. 27 min. 50 sec. West, 300.28 feet from the intersection of the high water mark of Smith Cove, also known as Clarks Cove, with the northeasterly side of Thompson Road, as shown on a survey prepared by Young & Young, Job No.99-0402, last dated October 22, 1999;

THENCE along the northeasterly side of Thompson Road North 26 deg. 27 min. 50 sec. West, 107.68 feet;

THENCE North 02 deg. 11 min. 00 sec. East, 76.30 feet;

THENCE the following eighteen (18) courses and distances along the 50 foot contour line based on the National Geodetic Vertical Datum and the 30 foot offset line from the existing top of bluff:

1. North 82 deg. 22 min. 49 sec. East, 200.47 feet,
2. North 89 deg. 50 min. 41 sec. East, 54.00 feet,
3. North 58 deg. 22 min. 05 sec. East, 56.60 feet,
4. North 32 deg. 58 min. 46 sec. East, 95.93 feet,
5. South 47 deg. 02 min. 05 sec. East, 28.44 feet,
6. South 19 deg. 16 min. 01 sec. West, 142.19 feet,
7. South 89 deg. 24 min. 39 sec. East, 64.19 feet,
8. South 40 deg. 55 min. 37 sec. East, 65.71 feet,
9. South 60 deg. 58 min. 49 sec. East, 60.27 feet,
10. South 32 deg. 46 min. 13 sec. West, 43.52 feet,
11. South 27 deg. 06 min. 54 sec. West, 44.76 feet,
12. South 14 deg. 02 min. 31 sec. West, 53.53 feet,
13. South 67 deg. 52 min. 13 sec. West, 97.38 feet,
14. South 62 deg. 42 min. 13 sec. West, 105.48 feet,
15. South 61 deg. 13 min. 29 sec. West, 55.94 feet,
16. North 46 deg. 23 min. 18 sec. West, 52.67 feet,
17. North 21 deg. 45 min. 21 sec. West, 85.29 feet,
18. North 59 deg. 29 min. 15 sec. West, 95.41 feet to the northeasterly side of Thompson Road and the point or place of BEGINNING.

CONTAINING within said bounds 2.7445 acres.

Exhibit "D"— —Legal Description of "Cabin Area"

ALL that certain plot, piece, or parcel of land with the buildings and improvements thereon erected, situate, lying, and being at Shelter Island, Town of Shelter Island, Suffolk County, and State of New York, bounded and described as follows:

BEGINNING at an 18 inch oak tree, said tree being the following three (3) courses and distances from the intersection of the southeasterly corner land now or formerly The Nature Conservancy with the high water mark Nicoll's Creek, also known as Miss Annie's Creek;

1. South 12 deg.34 min. 00 sec. East, 166.10 feet,
2. South 54 deg.49 min. 35 sec. East, 64.43 feet,
3. South 05 deg.42 min. 23 sec. East, 126.47 feet;

THENCE easterly, southerly, westerly, and northerly the following five (5) courses and distances:

1. South 47 deg. 02 min. 05 sec. East, 28.44 feet,
2. South 19 deg. 16 min. 01 sec. West, 142.19 feet,
3. North 04 deg. 50 min. 38 sec. West, 57.61 feet,
4. North 53 deg. 27 min. 51 sec. West, 26.44 feet,
5. North 32 deg. 58 min. 46 sec. East, 95.93 feet to the 18 inch oak tree and the point or place of BEGINNING.

CONTAINING within said bounds 0.0973 acres.

Exhibit "E"--Legal Description of "Viewshed Area"

ALL that certain plot, piece, or parcel of land with the buildings and improvements thereon erected, situate, lying, and being at Shelter Island, Town of Shelter Island, Suffolk County, and State of New York, bounded and described as follows:

BEGINNING at the intersection of the high water mark of Smith Cove, also known as Clarks Cove, with the southwesterly corner of land now or formerly of The Nature Conservancy, as shown on a survey prepared by Young & Young, Job No.99-0402, last dated October 22, 1999;

THENCE westerly along the high water mark of Smith Cove, also known as Clarks Cove, the following five (5) courses and distances:

1. South 58 deg. 07 min. 46 sec. West, 153.77 feet,
2. South 61 deg. 13 min. 42 sec. West, 137.73 feet,
3. South 62 deg. 03 min. 57 sec. West, 150.96 feet,
4. South 68 deg. 39 min. 48 sec. West, 110.88 feet,
5. South 80 deg. 22 min. 45 sec. West, 16.59 feet to the intersection of the high water mark of Smith Cove, also known as Clarks Cove, with the easterly side of Thompson Road;

THENCE northerly along the easterly side of Thompson Road, North 26 deg. 27 min. 50 sec. West, 83.23 feet;

THENCE the following eight (8) courses and distances:

1. North 61 deg. 13 min. 29 sec. East, 118.94 feet,
2. North 62 deg. 42 min. 13 sec. East, 105.48 feet
3. North 67 deg. 52 min. 13 sec. East, 97.38 feet,
4. North 14 deg. 02 min. 31 sec. East, 53.53 feet,
5. North 27 deg. 06 min. 54 sec. East, 44.76 feet,
6. North 32 deg. 46 min. 13 sec East, 43.52 feet,
7. North 60 deg. 58 min. 49 sec West, 28.80 feet,
8. North 68 deg. 00 min. 53 sec. East, 247.03 feet to land now or formerly The Nature Conservancy and the high water mark of Nicoll's Creek, also known as Miss Annie's Creek;

THENCE southerly along land of The Nature Conservancy South 02 deg. 17 min. 30 sec. West, 190.48 feet to the point or place of BEGINNING.

CONTAINING within said bounds 1.8478 acres.

<b>JAMES D. DOUGHERTY</b> P.O. BOX 1038 SHELTER ISLAND, NY 11964-1038		50-1063941 214 <b>310</b>
PAY TO THE ORDER OF <i>Philip O'Hara Walter</i> <i>eight thousand one hundred forty five and 00/100</i>		DATE <i>October 28 '99</i>
<b>THE BANK OF NEW YORK</b> 48 NO. FERRY RD. SHELTER ISLAND, N.Y. 11964		\$ <i>8,145.00</i> DOLLARS
MEMO <i>V-J-J-76ty</i>		NO. 50-1063941-214-310
1:0214106371: 11690309853611 0310		310



CR/PO NUMBER				

NYS Transfer Tax -- Thompson Hill  
 TAX → Danbury  
 PAYABLE THROUGH  
 NORWEST BANK RED WING, MN  
 RED WING, MN

75-46  
 919

BRANCHPAY

1001 00657215

BRANCHPAY  
 AUTHORIZATION NO.

10194

DATE

10/28/99

NOT VALID AFTER 90 DAYS FROM DATE

PAY TO THE  
 ORDER OF

Philip O'Hara Nissan Associates, Inc. \$2,000.00/100

(PAYEE)

Two Thousand

00/100

NOT GOOD FOR MORE THAN \$2,000.00 DOLLARS

NOT REDEEMABLE FOR CASH BY DRAWER'S AUTHORIZED REPRESENTATIVE

*John C. Hall*

SIGNATURE OF DRAWER'S AUTHORIZED REPRESENTATIVE

By signing this instrument, each of the undersigned certifies that this instrument has been drawn in accordance with the authority issued by Geico Information Network, Inc. I hereby

assumes (herein as curren, we, the undersigned, agree to pay the drawer upon demand the amount of this instrument and all expenses and damages arising from such misstatement.

11010065721511 10919004651 21 346 011 262

BRANCHPAY



SOUTH FORK-SHELTER ISLAND CHAPTER

JUL 31 2003

EASEMENT  
BASELINE DOCUMENTATION REPORT



THOMPSON HILL  
Town of Shelter Island, New York

October 28, 1999  
The Nature Conservancy  
P.O. Box 5125, East Hampton, New York 11937

**EASEMENT  
BASELINE DOCUMENTATION REPORT  
CHECKLIST**

All items below must be provided with the Easement Baseline Documentation Report Package. Two duplicate originals should be prepared for storage at HO and the Field Office.

- ☒ PROPERTY CONDITION CERTIFICATION
- ☒ SUMMARY SHEET
- ☒ SUMMARY OF SELECT EASEMENT TERMS
- ☒ DESCRIPTION AND BACKGROUND INFORMATION
  - Acquisition
  - Location
  - Tract Description
  - Physical Environment
  - Ecological Features
  - Man-made Structures/Improvements
  - Land Uses Affecting the Easement

**MAPS \*\* INDICATE NORTH ON ALL MAPS \*\***

- ☒ State Map: Showing Easement Property Location
- ☒ Road Map: Showing Easement Property Location and Access
- ☒ USGS Topographical Map: Showing Tract Boundaries

**APPENDICES**

- ☒ A. Copy of the Easement attached to Deed
- ☒ B. Survey Map of the Easement Property
- ☒ C. Aerial Photograph of the Easement Property
- ☒ D. Photo Stations Map
- ☒ E. Photographic Data Sheet
- ☒ F. Photographs of the Protected Property
- ☒ G. Invasive Plant List
- ☒ H. Viewshed Area Plan

EASEMENT  
BASELINE DOCUMENTATION REPORT  
PROPERTY CONDITION CERTIFICATION

Reference is made to that Deed dated October 28, 1999 between The Nature Conservancy as Party of the First Part (hereinafter the "Conservancy"), and James D. and Nancy H. Dougherty as Party of the Second Part (hereinafter the "Doughertys"), under which a Reservation of Conservation Easement and Declaration of Restrictive Covenants (the "Easement") was placed upon and encumbers the property (the "Protected Property") conveyed thereunder.

The Doughertys and the Conservancy hereby certify that, to the best of their knowledge, the following attached report is an accurate description of the current land uses and physical features on the Protected Property as of October 28, 1999. The report, which is attached hereto and made a part hereof, contains 54 pages (including appendices) and includes this certification; a summary sheet; a description of and background information on the Easement, including information on the acquisition, location, tract description, physical environment, ecological features, man-made structures and other improvements, and land uses affecting the Protected Property; a State map showing the location of the Protected Property; a road map showing legal access to the Protected Property; a portion of a USGS topographic map showing the boundaries of the Protected Property. The appendices include: Appendix A - Copy of the Easement attached to Deed; Appendix B-Survey Map of the Easement Property; Appendix C - Aerial Photograph of the Protected Property (dated 4/21/96); Appendix D - Photo Stations Map; Appendix E - Photographic Data Sheet; Appendix F - Photographs of the Protected Property; Appendix G - Invasive Plant List; Appendix H - Viewshed Area Plan.

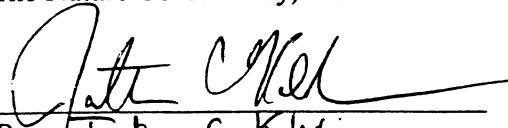
The parties hereto further certify that to the best of their knowledge, and based solely on the appendices hereto and site visits to the Protected Property, there are no structures or improvements on the Protected Property other than as described in the following report, and no activities are being conducted on the Protected Property which are inconsistent with the terms and covenants contained in the Easement.

Signed this 28th day of October 1999.

  
James D. Dougherty

  
Nancy H. Dougherty

The Nature Conservancy, Inc.

  
By: Jonathan C. Kiled  
Its: Counsel / Asst Secretary  
Hereunto duly authorized

EASEMENT  
BASELINE DOCUMENTATION REPORT  
SUMMARY SHEET

A. Easement Name: Thompson Hill  
Date: October 28, 1999

Prepared By: Michael S. Scheibel

State: New York

Town or District/County: Shelter Island/ Suffolk County

Date Easement Reserved and Retained via Delivery of Deed: October 28, 1999

Present Owner:

James D. & Nancy H. Dougherty  
144 East 19<sup>th</sup> Street  
New York, NY 10003

Phone: (212) 529-5805

Business Address:

350 5<sup>th</sup> Avenue  
Suite 7205  
New York, NY 10118

B. Brief Description of Area Under Easement:

Acreage: 9.38 acres

USGS Quad: Greenport, NY

Longitude/Latitude: 41 degrees, 3 minutes N  
72 degrees, 19 minutes W

Target Elements: None

Man-made Structures/Improvements: Dirt Road; Approximately 400 feet of  
unimproved dirt driveway providing access from the western boundary of the property from  
Thompson Road to the approximate center of the property.

C. Required Frequency of Monitoring for this Easement: Annually

**EASEMENT  
BASELINE DOCUMENTATION REPORT  
SUMMARY**

Note: The following is a summary of the Doughertys' and the Conservancy's rights in the Protected Property, as set forth in the Reservation of Conservation Easement and Declaration of Restrictive Covenants, to facilitate monitoring. It is not intended to be a legal document and should not be construed to be interpretive. Everyone using this Summary must refer to the Reservation of Conservation Easement and Declaration of Restrictive Covenants—recorded as an attachment to the deed conveying the Protected Property to the Doughertys (Grantee) and attached to this document as Appendix "A"—for the actual description of the rights and obligations of the Conservancy and the Doughertys.

**A. Purpose of the Conservation Easement:**

- a) to assure that Protected Property will be retained forever predominantly in its natural and scenic condition;
- b) to protect the scenic and natural character of the Protected Property and that of Mashomack Preserve;
- c) to protect the public's view of and the natural integrity of the shoreline and bluffs;
- d) to ensure that use will be consistent with the nearby residential character;
- e) to prevent use that will significantly impair or interfere with the conservation values or resources;
- f) to maintain and preserve the water quality of Miss Annie's Creek.

**B. Permitted Uses & Restrictions:** (section numbers refer to the Conservation Easement)

**2.1 Structures:**

- a) Limited to one (1) single family residential structure, and accessory structures incidental and ancillary to, such as utility structures, fences, gates and railings, porches, a swimming pool, tennis court, home office space, a guest cottage, a writer's cabin, etc. all to be located within the "Permitted Area" only, and not closer than 100 feet to the shoreline bluff, except that fences, gates and railings may be erected anywhere within the "Permitted Area," and seasonal, removable structures that do no harm to the Protected Property may be placed anywhere on the Protected Property.

Prior to constructing or placing permanent structures in the "Cabin Area," Grantee must submit a plan for Conservancy's approval; TNC has sixty (60) days to respond or approval shall be deemed granted.

➤ c) Firewood for personal use  
➤ "Cabin Area" (unless abutting the shoreline bluff)  
➤ not below the fifty foot (50') setback from the shoreline bluff.

➤ d) Cat briar may be removed, but not unduly impact soil conditions.

e) Within the "Viewshed Area" (Appendix B), no machinery, equipment, or structures are permitted.  
2) no stumps are removed.

f) Outside the "permitted area", no cutting may occur. Prior notice, and within ten (10) days of approval. Failure of the

g) Gardens and lawns within the "Viewshed Area" are permitted.

## 2.6 Waste Disposal:

No dumping of ashes, debris, or other materials that would alter natural topography by the Area."

## 2.7 Water Courses:

The placement of "ha

One (1) non-seasonal stream, provided that (1) the following conditions are met: (2) width, (3) length is feasible constructed

## 2.1 Structures (cont'd.):

b) Septic facilities must be located in the "Permitted Area"; facilities may be located by some other acceptable method) by the Conservancy at its discretion and cost.

## 2.2 Roads and Foot Trails:

a) Access road may be improved and maintained within the "Earth Road" corridor Survey Map (Appendix B), and the corridor may be relocated anywhere, anytime, within the "Permitted Area" (excluding the "Cabin Area"). All utilities are to be placed within the corridor, except for utilities servicing structures whose services cannot be readily provided by utilities located within the road corridor.

b) Foot trails shall not be greater than six feet (6') in width and shall not be located (1) closer than fifty (50') feet to Miss Annie's Creek, or 2) closer than ten feet (10') to the landward limit of the bluff, or 3) closer than ten feet (10') to the edge of the shoreline bluff. Trails within fifty feet of the bluff cannot exceed three feet (3') in width. A trail (limited to three feet (3') in width) may be established, and shall be located as close to the easternmost boundary of the Property as is feasible.

## 2.3 Consultation with Conservancy:

Grantee agrees to share all plans and consult with the Conservancy when exercising rights under the provisions of sections 2.1 & 2.2.

## 2.4 Mining, Changes in Topography, Etc.:

a) Ditching, draining, diking, filling, excavating, dredging, mining or drilling, removing gravel, rock, minerals or other materials only as reasonably necessary when exercising rights established under the provisions of sections 2.1 & 2.2.

b) As required by law, may conduct activities above with the prior written consent of the agency or entity having regulatory authority over such activities.

## 2.5 Vegetation:

Vegetation removal is only permitted as set forth in the Conservation Easement. Fertilizers may be applied on the Protected Property, and the planting of invasive plants on the "Invasive Plant List" dated October 28, 1999 (Appendix G), is prohibited.

a) Vegetation removal permitted as reasonably necessary to construct or maintain facilities, roads and foot trails.

b) Dead and dying trees and those presenting an imminent safety hazard may be

## 2.8 Development Rights:

Protected Property shall not be included with other properties for the purpose of determining density, lot coverage or open space requirements. No development rights shall be transferred pursuant to a transfer of development rights scheme.

## 2.9 Subdivision:

No subdivision is permitted.

## 3. Rights of the Conservancy:

3.1 The right to enter the Protected Property, at all reasonable times, with prior notice, for the purpose of (a) compliance inspection, (b) enforcement, (c) scientific and educational observation, and (d) monitoring and management.

3.2 The right to monitor and manage rare plant and animal populations, plant communities, and natural habitats as per a written management plan reviewed and approved by the Grantee.

3.3 The right to prevent any activity that is inconsistent with the purposes of the easement and to require restoration.

3.4 The right to give consent for activities or uses otherwise prohibited under section 2.0.

## 4. Grantee's Rights:

4.1 The right to engage in all activities not expressly prohibited by the easement.

4.2 The right to sell, give, mortgage, lease, or otherwise convey the Protected Property.

4.3 All rights and responsibilities related to ownership of the Protected Property regarding operation, upkeep, maintenance, tax payments, and insurance.

**EASEMENT  
BASELINE DOCUMENTATION REPORT  
DESCRIPTION AND BACKGROUND INFORMATION**

**Acquisition:** Conservation Easement reserved and retained by the Conservancy upon conveyance of Thompson Hill property to James D. and Nancy H. Dougherty on October 28, 1999.

**Location:** Thompson Hill is located in the Town of Shelter Island/Suffolk County, NY; Tax map number Section 024, Block 1, Lot 18; from SR 114 take Thompson Road (South Ferry Hills) about 0.4 mile to a dirt access road on left.

**Tract Description:** Thompson Hill is a 9.38-acre waterfront parcel immediately adjacent to the western boundary of The Nature Conservancy's Mashomack Preserve on Shelter Island. Landowners with abutting properties are as follows:

<b>Section 024, Block 1, Lot 14: 8 Irene Lane</b>	Milton, Thomas 305 E. 72 <sup>nd</sup> St. Apt. 1AN New York, NY 10021 0.25 acres
<b>Section 024, Block 1, Lot 15: 10 Irene Lane</b>	Brown, Norman J. & Elizabeth 16 Parkwood Drive East Valley Stream, NY 11580 0.71 acres
<b>Section 024, Block 1, Lot 16: 12 Irene Lane</b>	Manuella, Marie 12 Irene Lane Shelter Island, NY 11964 0.50 acres
<b>Section 024, Block 1, Lot 17: 14 Irene Lane</b>	Rapaport, Martin 18 East 48 <sup>th</sup> St. Fl. 6 New York, NY 10017-1014 0.59 acres
<b>Section 020, Block 1, Lot 1:</b>	The Nature Conservancy 4245 North Fairfax Drive, Suite 100 Arlington, VA 22203 319.5 acres  Town of Shelter Island (ROW) Thompson Road  State of New York Underwater lands (Smith Cove)



Tract boundaries are as shown on map entitled "Survey Map of Easement Property" (see Appendix B).

Physical Environment: The most significant land feature on this property is the morainal hill which attains an elevation of 69.5 feet above sea level and a southerly facing eroding sandy bluff which reaches 50 feet above sea level and overlooks Smith Cove and Shelter Island Sound. The parcel is irregular in shape and the topography is extremely variable, sloping dramatically down to a tidal wetland along the north and east boundaries on Nicolls (Miss Annie's) Creek.

Ecological Features: The property is mostly wooded uplands, but contains a small parcel of tidal wetlands along the north and east boundaries. The woodland community is best described as a "successional maritime hardwood forest" dominated by oaks (*Quercus spp.*), and includes hickories (*Carya spp.*), black cherry (*Prunus serotina*), and shadbush (*Amelanchier canadensis*). Vines are common in the understory and subcanopy and include greenbrier (*Smilax spp.*), and Virginia creeper (*Parthenocissus quinquefolia*), shrubs include black huckleberry (*Gaylussacia baccata*), and lowbush blueberry (*Vaccinium angustifolium*).

The tidal wetlands are coastal salt marsh communities including a small section of "high salt marsh" and "salt shrub" dominated by salt-meadow grass (*Spartina patens*) and groundsel-tree (*Baccharis halimifolia*).

Easement provisions protect the upland forest by restricting the amount and extent of vegetative clearing and provides for the establishment of a buffer area below the 50 foot contour which protects the watershed and biological integrity of Miss Annie's (Nicholls) Creek. The easement further insures that natural sediment transport along the Smith Cove shoreline is not impeded. Finally the easement reduces development potential and protects the view shed of the Mashomack Preserve.

Man-made Structures/Improvements: Dirt Road; approximately 400 feet of unimproved dirt driveway (about 12 feet in width) that provides access from Thompson Road on the west boundary to the approximate center of the property.

Land Uses Affecting the Easement: None.

**MARCHITELLI BARRILES  
& COMPANY, INC.**

*Real Estate Advisory Services*

1757-8 Veterans Highway  
Islandia, NY 11722-1535  
516-234-5050  
FAX 516-234-5192

March 8, 1999

The Nature Conservancy  
250 Lawrence Hill Road  
Cold Spring Harbor, New York 11724

Attn: Mr. Paul Rabinovitch  
Director

Re: Property of Gerard  
Thompson Road  
Shelter Island, New York  
Our Account No. M-4408-99

Dear Mr. Rabinovitch:

At your request, we have appraised the captioned property and prepared the accompanying self-contained report. The date of this report is March 8, 1999. The date of valuation is January 20, 1999. The real property interest appraised is the fee simple estate.

The purpose of this appraisal is to estimate the market value of the subject property's fee interest. It is intended for the use of The Nature Conservancy in negotiating its purchase. Use for any other purpose or by other individuals is not intended. Reliance on this report is limited to the use for which it is intended and to the individuals for whom it was prepared.

Market value is defined as the price in cash and/or other identified terms for which the specified real property interest is likely to sell as of the effective date of appraisal in the real estate marketplace under all conditions requisite to a fair sale.

Conclusions of value expressed in this report are in terms of cash or other financial arrangements comparable thereto.

The subject property is a 9.38-acre parcel of residentially zoned land on Thompson Road in Shelter Island. The site consists of a peninsula extending toward Mashomack Preserve into the waters of Clark's Cove at Nicoll's Creek. The topography reaches elevations of up to 70 feet above sea level with a dramatic bluff along the cove and a gentle slope falling off to tidal wetlands along Nicoll's Creek. Based on our highest and best use analysis, it appears that the site is capable of being subdivided into three waterfront building plots and a small wetland preserve.

MARCHITELLI BARNES  
& COMPANY, INC.


March 8, 1999  
Mr. Paul Rabinovitch

Based on the analysis contained within the attached report, we have concluded that the market value of the fee simple estate of the subject property as of January 20, 1999, is

**\$2,000,000**  
**(TWO MILLION DOLLARS)**

Very truly yours,

MARCHITELLI BARNES & COMPANY, INC.

A handwritten signature in black ink, appearing to read 'Timothy Barnes', is written over the printed name.

Timothy Barnes  
NYS Certified General Real Estate Appraiser  
Certificate No. 46-6137

ts

JUL 31 2003

To: Jim Dougherty, Steve Schreiber, Esq., Rich Upton, Esq., Mike Laspia, Judy Cooper,  
Nancy Kelley  
Fr: Jonathan Kaledin  
Re: Documents/Structure of TNC—Dougherty Transaction  
Date: August 6, 1999

Jim, Steve, Rich and I met yesterday to discuss further the documents for our transaction and to discuss the structure of the transaction. The following is an extremely brief synopsis of our meeting, and a list of matters that need to be taken care of prior to closing.

We first discussed the tax/charitable deduction aspects of the transaction. In order to create as clean a paper trail as possible for Jim and Nancy, so as to minimize whatever IRS risks might exist from having a sale/donation occur, we have agreed to sign the contract and the pledge (the pledge will not have contingency language in it) and convey the TH property to Jim and Nancy simultaneously on the same day that the Conservancy acquires the TH property—after TNC's acquisition.

The pledge fulfillment date still needs to be worked out. Rich—upon reflection my position is that risk is minimal even if pledge fulfilled/sale occur simultaneously, and that waiting few weeks minimizes further (of course I am not counseling Jim/Nancy on this matter).

I explained that if we convey the TH property to Jim/Nancy in early September and they wait a few weeks to fulfill the pledge, so long as the pledge is fulfilled by September 30<sup>th</sup> the SFSI chapter won't incur any interest costs that might need to be repaid via the pledge. If Jim/Nancy want to wait until end of calendar year to fulfill pledge (minimizing risk even further), interest will be due by SFSI to HO, and who will cover this interest needs to be worked out.

Attached are revised P&S Agreement, Pledge, Cons. Easement, and form of TNC substantiation letter.

TTD: (1) Jim & Nancy/Judy/Mike need to visit site asap WITH John Shnoor of Young and Young to finish work on permitted area, viewshed area, cut restriction lines, and dock area. All of these need to be shown on survey, and we need legal description for perimeter, permitted area AND viewshed area (per discussion with Jim yesterday).

- (2) Invasive plants list to be attached to Cons. Eas.—Jim/Mike/Judy.
- (3) Septic Dye Test (how frequently does it need to be done?)—Jim/Mike/Judy to determine.
- (4) Easement Baseline Documentation Report—TNC should prepare draft asap and get to Jim/Steve Schreiber for review. Judy/Mike Scheibel.

JUL 31 2003

- (5) Jim needs to know how to transfer securities to TNC when time to make gift arrives.  
By copy of this memo to Martin Carovano (TNC's NY planned giving officer) I ask that Martin call Jim (212) 971-0200 to discuss how to accomplish this.

I can be reached Wednesday in Boston at: (617) 542-1908.

MEMORANDUM

To: Michael Dennis, Esq.  
cc: Andy Beers  
Nancy Kelley  
Michael Lespie  
From: Jonathan Kaledin, Esq.  
Date: August 30, 1999  
Re: Potential Conflict of Interest—Outsale of Thompson Hill Property

John S -  
I am ok with  
this. We have solid  
appraisals and the  
Doughertys stayed out  
of decision making  
process

I wanted to alert you to a matter involving a potential conflict of interest I believe needs to be disclosed to you and John Sawhill under the Conservancy's conflict of interest policy as adopted by the Board of Governors.

The South-Fork Shelter Island Chapter is now under contract to purchase the 9.4 acre property next to the Mashomack Preserve known as the "Thompson Hill" property (the "Property"). The purchase price is \$2.1 million.

The Chapter has been looking for a conservation buyer for the Property—a buyer that will purchase the Property encumbered by a conservation easement, and who will make the Chapter whole by pledging a charitable contribution above and beyond the outsale's purchase price so that, when added to it, the sum equals \$2.1 million.

Jim and Nancy Dougherty of New York City and Shelter Island have expressed interest in acquiring the Property from the Chapter as conservation buyers, and have agreed to make the Chapter whole on the Chapter's acquisition costs of the Property through the outsale acquisition/pledge structure.

Both the Doughertys are long time supporters of the Conservancy. Nancy currently sits on the Mashomack Preserve's Board of Trustees, thus giving rise to a potential conflict of interest in this matter.

In light of the fact that the Doughertys have agreed to make the Chapter whole in this transaction, and in light of the fact that the Conservancy would agree to the outsale acquisition/pledge structure of the transaction with any potential conservation buyer of the Property, I see no problem with this potential conflict of interest (other than it gives rise to the perception that we gave an "insider" the first crack at acquiring the Property from us; true, but by doing so we minimized our transactional financial risk by lining up a conservation buyer prior to acquiring the Property).

I look forward to hearing from you and John as to your collective opinion on this matter.

October 22, 1999

The Nature Conservancy and  
James And Nancy Dougherty  
P.O. Box 5125  
East Hampton, NY 11937

Re: S.C.T.M. #700-24-1-18  
Property Located E/S Thompson Road, Shelter Island N.Y.

Dear Sirs:

In accordance with your request, we have made an appraisal of the above referenced real property, for the purpose of estimating the market value of a proposed conservation easement which will encumber the subject property.

The property consists of a parcel of land containing 9.379± acres zoned AA Residential. The property is mostly wooded and has a rolling topography with frontage on Smith Cove and Nicolls Creek.

The property was last inspected on August 10, 1999. The valuation or effective date of this appraisal is October 28, 1999 and the date of this report is October 22, 1999.

The function of this appraisal is to establish the value of a conservation easement, placed on the subject property. This is a qualified appraisal for Federal Income Tax purposes.

The Conservation Easement will be made with the intention that it qualify as a Conservation Easement in perpetuity under Internal Revenue Code Section 170(h), in order to entitle the grantor to the charitable deduction described in the Code.

The attached Summary Appraisal Report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

The Nature Conservancy and  
James And Nancy Dougherty

October 22, 1999

It is my opinion and conclusion that the value of the conservation easement, as of October 28, 1999, is

**ONE MILLION FIVE HUNDRED NINETY FOUR THOUSAND (\$1,594,000.00)  
DOLLARS**

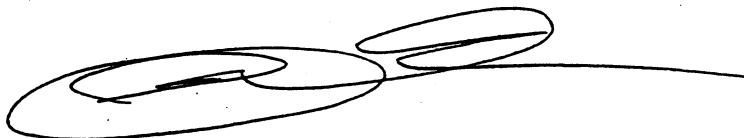
The estimated exposure time (i.e., the length of time the subject property would have been offered on the market prior to a hypothetical sale at the market value concluded in this analysis, as of the effective date of this valuation) would be 6 to 12 months prior to the granting of the conservation easement and 6 to 12 months after granting the conservation easement.

The property was appraised as a whole, owned in fee simple and unencumbered, (except for the conservation easement included in the Addenda to this report), subject to the Assumptions and Limiting Conditions outlined herein.

It has been a pleasure to be of service to you in this capacity.

Should you require any additional information on this matter, please feel free to contact me at your convenience.

Respectfully submitted,



PAG/cd

PATRICK A. GIVEN, SRPA  
N.Y.S. CERTIFIED GENERAL REAL ESTATE  
APPRAISER #46-704



MICHAEL P. GIVEN

**given associates**

2



MEMORANDUM

To: Michael Dennis, Esq.  
cc: Andy Beers  
Nancy Kelley  
Michael Laspla  
From: Jonathan Kaledin, Esq.  
Date: August 30, 1999  
Re: Potential Conflict of Interest—Outsale of Thompson Hill Property

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MEMORANDUM

To: Michael Dennis, Esq.

cc: Andy Beers  
Nancy Kelley  
Michael Laspia

From: Jonathan Kaledin, Esq. 

Date: August 30, 1999

Re: Potential Conflict of Interest—Outsale of Thompson Hill Property

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The South-Fork Shelter Island Chapter is now under contract to purchase the 9.4 acre property next to the Mashomack Preserve known as the "Thompson Hill" property (the "Property"). The purchase price is \$2.1 million.

The Chapter has been looking for a conservation buyer for the Property—a buyer that will purchase the Property encumbered by a conservation easement, and who will make the Chapter whole by pledging a charitable contribution above and beyond the outsale's purchase price so that, when added to it, the sum equals \$2.1 million.

Jim and Nancy Dougherty of New York City and Shelter Island have expressed interest in acquiring the Property from the Chapter as conservation buyers, and have agreed to make the Chapter whole on the Chapter's acquisition costs of the Property through the outsale acquisition/pledge structure.

Both the Doughertys are long time supporters of the Conservancy. Nancy currently sits on the Mashomack Preserve's Board of Trustees, thus giving rise to a potential conflict of interest in this matter.

In light of the fact that the Doughertys have agreed to make the Chapter whole in this transaction, and in light of the fact that the Conservancy would agree to the outsale acquisition/pledge structure of the transaction with any potential conservation buyer of the Property, I see no problem with this potential conflict of interest (other than it gives rise to the perception that we gave an "insider" the first crack at acquiring the Property from us; true, but by doing so we minimized our transactional financial risk by lining up a conservation buyer prior to acquiring the Property).

I look forward to hearing from you and John as to your collective opinion on this matter.

# FAX TRANSMISSION



The Nature Conservancy  
New York State Office  
415 River Street, 4th Floor  
Troy NY 12180  
fax (518) 273-5022

Date: 9/23/99

Pages (inc. cover): 2

To: Steve Schreier, Esq. Dept: Public Relations

Phone #: \_\_\_\_\_ Fax #: (212) 336-2222

From: Jon Kulev, Esq. Ext. #: \_\_\_\_\_

Comments: \_\_\_\_\_

See Attached.

## CONFIDENTIALITY NOTICE

The documents accompanying this facsimile transmission contain information which is confidential or legally privileged. The information is intended only for the use of the individual or entity named on this transmission sheet. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this transmitted facsimile is strictly prohibited, and that the documents should be returned to The Nature Conservancy immediately. If you have received this fax in error, please notify us by telephone immediately.

If there are any problems during this transmission, please call (518) 273-9408

**Patterson, Belknap, Webb & Tyler, LLP**

1133 Avenue of the Americas  
New York, NY 10036-6710  
212-336-2000

Washonack  
(Gerald - 507)

**Memorandum**

September 22, 1999

**BY TELECOPY**

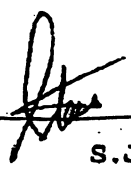
**TO:** Jonathan C. Kaledin  
**FROM:** Stephen J. Schreiber  
**RE:** Proposed Conveyance to Jim and Nancy Dougherty

After Jim, you and I spoke this afternoon, I pointed out to Rich Upton that, although the Charitable Pledge provides for the Doughertys' gift to be made payable to the South Fork-Shelter Island Chapter of the Conservancy, the instrument recites that gift is being made in reliance upon the fact that The Nature Conservancy, Inc. is exempt under Section 501(c)(3).

Rich wants to know if TNC is able to make a representation in the Charitable Pledge that the South Fork-Shelter Island Chapter is exempt under Section 501(c)(3).

Please let me know.

Thanks.

  
S.J.S.

cc: James D. Dougherty, Esq. (By Telecopy)  
Richard R. Upton, Esq.

437233.1

Certainly, I'll add it.  
= 9 -



DK - MWK KH ✓

File G7

415 River Street, 4th Floor  
Troy, New York 12180

TEL 518 273-9408  
MAIN FAX 518 273-5022  
LEGAL FAX 518 273-5178

570 Seventh Avenue, Suite 601  
New York, New York 10018

TEL 212 997-1880  
FAX 212 997-8451

International Headquarters  
Arlington, Virginia

TEL 703 841-5300

Nashomack (Gerard)

February 14, 2000

Helen Rosenblum, Esq.  
Shelter Island Town Counsel  
Shelter Island Town Hall  
44 North Ferry Road  
Shelter Island, New York 11964

Re: Thompson Hill Transaction

Dear Helen:

Robert Lanahan's February 8, 2000 memorandum to the Shelter Island Town Board, discussing The Nature Conservancy's acquisition and disposition of the Thompson Hill property, has been brought to my attention. Let me respond briefly to some of the issues raised in the memorandum.

After years of on again, off again negotiations with the owners of the 9.38 acre Thompson Hill property (the property was owned by the Estate of James Gerard (1/3 fee title interest), Coster Gerard (1/3 fee title interest), and the Sumner Gerard, Jr. Trust (1/3 fee title interest)), The Nature Conservancy acquired the property on September 2, 1999 for \$2.1 million dollars.

While the memorandum queries whether the Conservancy's acquisition of the Thompson Hill property was through an open market, arms-length transaction, the Conservancy in fact paid slightly more for the property than our January 1999 Marchitelli Barnes & Company appraisal indicated it was worth.

Furthermore, during our negotiations with members of the Gerard family, there was never any discussion of a donative aspect to the transaction, and none of the Gerards submitted an IRS Form 8283 to the Conservancy for the purpose of claiming a charitable deduction in connection with the sale (had they done so, it would have indicated that, at least from the Sellers' perspective, the property was sold for less than what it was worth). Although certain Gerard family members expressed a desire to receive more than \$2.1 million for the Thompson Hill property, they ultimately accepted our \$2.1 million offer. Our acquisition of the property was unquestionably an open market acquisition, and cannot be characterized as anything but arms-length in nature.

Helen Rosenblum, Esq.  
February 14, 2000  
page 2

The Conservancy's long-term goal for Thompson Hill was to get the property into the hands of a conservation buyer. Consequently, while working with the Gerard family to acquire the property, the Conservancy worked simultaneously on conveying the property out to James and Nancy Dougherty, who agreed to acquire Thompson Hill from the Conservancy with development restrictions and safeguards in place as to the environmentally sensitive aspects of the property. These restrictions and safeguards are set forth in the conservation easement encumbering the property.

Once the terms and conditions of the conservation easement were worked out with the Doughertys, we then had the property appraised again so as to determine its value as encumbered by the easement. The new appraisal indicated a value for the encumbered property of approximately \$500,000 (the current town assessment of the property as unencumbered is \$604,500), and we subsequently sold the property to the Doughertys for \$500,000.

In regard to this aspect of the transaction, please note that as a nonprofit, tax-exempt organization, the Conservancy cannot sell assets to third parties for less than fair market value. Doing so potentially jeopardizes the Conservancy's tax-exempt status under applicable federal tax law. Thus the need for the second appraisal of the Thompson Hill property: the Conservancy had to establish a value for the encumbered property before selling it to a conservation buyer. Our sale of the property to the Doughertys must be considered in light of federal tax law and how it governs the Conservancy's actions in such situations. In such light, any notion of impropriety about the sale of the Thompson Hill property for \$500,000 is immediately dispelled.

We also discussed with all potential conservation buyers (there were several interested parties) the need for the Conservancy to be made whole financially in regard to the overall Thompson Hill transaction. As a result, when the property was sold to the Doughertys, they signed a multi-year charitable pledge under which they agreed to make donations to the Conservancy that not only cover the difference between what the Conservancy purchased and sold the Thompson Hill property for, but that also reimburse the Conservancy for all direct costs incurred in acquiring and then selling the property.

Of course, the transaction between the Conservancy and the Doughertys was structured with both conservation and tax consequences in mind. Yet as explained above, the structure of the transaction, as conceived and as consumated, was built around independent appraisals of the property before and after the conservation easement. It is also important to remember that the transaction accomplished important conservation objectives for the community. Had significant development rights not been stripped from the Thompson Hill property when it was conveyed to the Doughertys, purchasing these development rights at a later date would have cost much more than any Community Fund

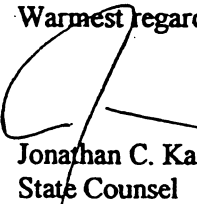
Helen Rosenblum, Esq.  
February 14, 2000  
page 3

Preservation taxes perceived of as "lost" due to the structure of the Thompson Hill transaction.

I hope that this letter clarifies the issues raised in Robert Lanahan's memo about the Conservancy's acquisition and disposition of the Thompson Hill property. Please do not hesitate to contact me with any questions you or others might have about this matter.

We have not talked in quite some time; I hope all is well with you.

Warmest regards,



Jonathan C. Kaledin  
State Counsel

cc: James and Nancy Dougherty  
Shelter Island Town Board  
Tepper/Laspia/Kelley/Cooper/Lowrie

OR COUNTY USE ONLY

C1. SWIS Code

C2. Date Deed Recorded

C3. Book

C4. Page



REAL PROPERTY TRANSFER REPORT

STATE OF NEW YORK

OFFICE OF THE BOARD OF REAL PROPERTY SERVICES

RP - 5217

RP-5217 Rev 3/97

PROPERTY INFORMATION

Property Location 21 Thompson Hill Road

Shelter Island 11964

Buyer Name Dougherty James D.

Dougherty Nancy H.

Tax Billing Address Indicate where future Tax Bills are to be sent If other than buyer address (at bottom of form)

STREET NUMBER AND STREET NAME CITY OR TOWN STATE ZIP CODE

Indicate the number of Assessment Roll parcels transferred on the deed 1 of Parcels OR Part of a Parcel

(Only if Part of a Parcel) Check as they apply:

4A. Planning Board with Subdivision Authority Exists

4B. Subdivision Approval was Required for Transfer

4C. Parcel Approved for Subdivision with Map Provided

Deed Property Size FRONT FEET X DEPTH OR ACRES 9.50

Seller Name The Nature Conservancy, Inc.

LAST NAME / COMPANY FIRST NAME

LAST NAME / COMPANY FIRST NAME

Check the box below which most accurately describes the use of the property at the time of sale:

Check the boxes below as they apply:

- A One Family Residential  
B 2 or 3 Family Residential  
C Residential Vacant Land  
D Non-Residential Vacant Land  
E Agricultural  
F Commercial  
G Apartment  
H Entertainment / Amusement  
I Community Service  
J Industrial  
K Public Service  
L Forest

8. Ownership Type is Condominium  
9. New Construction on Vacant Land  
10A. Property Located within an Agricultural District  
10B. Buyer received a disclosure notice indicating that the property is in an Agricultural District

SALE INFORMATION

1. Sale Contract Date 10 / 28 / 99

12. Date of Sale / Transfer 10 / 28 / 99

13. Full Sale Price 5,000,000.00

(Full Sale Price is the total amount paid for the property including personal property. This payment may be in the form of cash, other property or goods, or the assumption of mortgages or other obligations.) Please round to the nearest whole dollar amount.

14. Indicate the value of personal property included in the sale 0.00

15. Check one or more of these conditions as applicable to transfer:

- A Sale Between Relatives or Former Relatives  
B Sale Between Related Companies or Partners in Business  
C One of the Buyers is also a Seller  
D Buyer or Seller is Government Agency or Lending Institution  
E Deed Type not Warranty or Bargain and Sale (Specify Below)  
F Sale of Fractional or Less than Fee Interest (Specify Below)  
G Significant Change in Property Between Taxable Status and Sale Dates  
H Sale of Business is Included in Sale Price  
I Other Unusual Factors Affecting Sale Price (Specify Below)  
J None

ASSESSMENT INFORMATION - Data should reflect the latest Final Assessment Roll and Tax Bill

16. Year of Assessment Roll from which information taken 99 17. Total Assessed Value (of all parcels in transfer) 604500

18. Property Class 920 19. School District Name Shelter Island No. 1

20. Tax Map Identifier(s) / Roll Identifier(s) (If more than four, attach sheet with additional Identifier(s))

District 0700

Section 024.00

Block 01.00

Lot 018.000

CERTIFICATION

I certify that all of the items of information entered on this form are true and correct (to the best of my knowledge and belief) and I understand that the making of any willful false statement of material fact herein will subject me to the provisions of the penal law relative to the making and filing of false instruments.

BUYER

BUYER'S ATTORNEY

Schreiber

Stephen

LAST NAME

FIRST NAME

(212)

336-2556

AREA CODE

TELEPHONE NUMBER

P.O. Box 1038

STREET NUMBER

STREET NAME (AFTER SALE)

Shelter Island

NY

11964

CITY OR TOWN

STATE

ZIP CODE

SELLER

THE NATURE CONSERVANCY, INC.

By: C. H. Campbell, Jr. 10/28/99

SELLER SIGNATURE

DATE

NEW YORK STATE  
COPY



**Schedule B — (continued)****Part III — Explanation of Exemption Claimed in Part I, line 1 (check any boxes that apply)**

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

- a. Conveyance is to the United Nations, the United States of America, the state of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada)..... a ☐
- b. Conveyance is to secure a debt or other obligation..... b ☐
- c. Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance..... c ☐
- d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts..... d ☐
- e. Conveyance is given in connection with a tax sale..... e ☐
- f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F..... f ☐
- g. Conveyance consists of deed of partition..... g ☐
- h. Conveyance is given pursuant to the federal bankruptcy act..... h ☐
- i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property..... i ☐
- j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than \$200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a 1-, 2-, or 3-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment..... j ☐
- k. Conveyance is not a conveyance within the meaning of section 1401(e) of Article 31 of the Tax Law (attach documents supporting such claim)..... k ☐
- l. Other (attach explanation)..... l ☐

**Schedule C — Credit Line Mortgage Certificate (Article 11 of the Tax Law)**

Complete the following only if the interest being transferred is a fee simple interest.

1 (we) certify that: (check the appropriate box)

- 1 ☒ The real property being sold or transferred is not subject to an outstanding credit line mortgage.
- 2 ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
- ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
- ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
- ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee or other officer of a court.
- ☐ The maximum principal amount secured by the credit line mortgage is \$3,000,000 or more and the real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.
- Please note: for purposes of determining whether the maximum principal amount secured is \$3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.
- ☐ Other (attach detailed explanation).
- 3 ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
- ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
- ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.
- 4 ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in \_\_\_\_\_ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is \_\_\_\_\_. No exemption from tax is claimed and the tax of \_\_\_\_\_ is being paid herewith. (Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City, make check payable to the NYC Department of Finance.)

**Signature (both the grantor(s) and grantee(s) must sign).**

The undersigned certify that the above return, including any certification, schedule or attachment, is to the best of his/her knowledge, true and complete.

THE NATURE CONSERVANCY, INC.

By: [Signature] Grantor Title \_\_\_\_\_

[Signature] Grantee Title \_\_\_\_\_

JAMES D. DOUGHERTY

NANCY H. DOUGHERTY

Reminder: Did you complete all of the required information in Schedules A and B? Were you required to complete Schedule C? If you checked 1 or g in Schedule A, did you complete TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in New York City, to the NYC Department of Finance? If no recording is required, send your check(s), made payable to the Department of Taxation and Finance, directly to the NYS Tax Department, TTB-Transfer Tax, PO Box 5045, Albany NY 12205-5045.

**Schedule C (continued)**

**Part 11- Explanation of Exemption Claimed in Part I, line 1 (check any boxes that apply )**

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

- a. Conveyance is to the United Nations, the United States of America, the state of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada)
- b. Conveyance is to secure a debt or other obligation
- c. Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance
- d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts
- e. Conveyance is given in connection with a tax sale
- f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.)
- g. Conveyance consists of deed of partition
- h. Conveyance is given pursuant to the federal bankruptcy act
- i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property
- j. Conveyance of real property which is subject to restrictions which prohibit the use of the entire property for any purposes except agriculture, recreation or conservation, pursuant to Section 1449-ee (2) (j) or (k) of Article 31-D of the Tax Law. (See required Town approval, below).
- k. Conveyance of real property for open space, parks, or historic preservation purposes to any not-for-profit tax exempt corporation operated for conservation, environmental, or historic preservation purposes.
- l. Other list explanations in space below (Grandfather/Contract)
- m. The conveyance is approved for an exemption from the Community Preservation Transfer Tax, under Section 1449-ee of Article 31-D of the Tax law. (See j in Schedule C)

\_\_\_\_\_  
Town Attorney or other designated official

**Penalties and Interest**

**Penalties**

Any grantor or grantee failing to file a return or to pay any tax within the time required shall be subject to a penalty of 10% of the amount of tax due plus an interest penalty of 2% of such amount for each month of delay or fraction thereof after the expiration of the first month after such return was required to be filed or the tax became due. However, the interest penalty shall not exceed 25% in the aggregate.

**Interest**

Daily compounded interest will be charged on the amount of the tax due not paid within the time required.

\*\*\*\*\*By signing the following, the buyer and seller further represent and attest to the fact that for property lying within Southold Town, a validly executed contract was in effect prior to March 1, 1999 and that for all other towns subject at the CPF tax, a validly executed contract was in effect prior to April 1, 1999.

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Buyer

Signature (both the grantor(s) and grantee(s) must sign).

The undersigned certify that the above return, including any certification, schedule or attachment, is to the best of his/her knowledge true and complete.

THE NATURE CONSERVANCY, INC.

By: *John C. White*, Council/Asst Secretary  
Grantor

*J. D. Dougherty*  
Grantee  
JAMES D. DOUGHERTY

*Nancy H. Dougherty*  
Grantee  
NANCY H. DOUGHERTY

\_\_\_\_\_  
Grantor

# Peconic Bay Region Community Preservation Fund

East Hampton 03  
Riverhead 06  
Shelter Island 07  
Southampton 09  
Southold 10

Please print or type.

## Schedule A Information Relating to Conveyance

<b>Grantor</b>		<b>Name (individual; last, first, middle initial)</b>		<b>Social Security Number</b>	
<input type="checkbox"/> Individual		The Nature Conservancy, Inc.			
<input checked="" type="checkbox"/> Corporation		<b>Mailing address</b>		<b>Social Security Number</b>	
<input type="checkbox"/> Partnership		4245 North Fairfax Drive			
<input type="checkbox"/> Other		<b>City</b>	<b>State</b>	<b>ZIP code</b>	<b>Federal employer ident. number</b>
		Arlington,	Virginia	22203	53 0242652
<b>Grantee</b>		<b>Name (individual; last, first, middle initial)</b>		<b>Social Security Number</b>	
<input checked="" type="checkbox"/> Individual		Dougherty; James D. and Nancy H.		064 30 249	
<input type="checkbox"/> Corporation		<b>Mailing address</b>		<b>Social Security Number</b>	
<input type="checkbox"/> Partnership		P.O. Box 1038		034 32 358	
<input type="checkbox"/> Other		<b>City</b>	<b>State</b>	<b>ZIP code</b>	<b>Federal employer ident. number</b>
		Shelter Island,	New York	11964	

## Location and description of property conveyed

Tax map designation				Address	Village	Town
Dist	Section	Block	Lot			
0700	024.00	01.00	018.000	21 Thompson Hill Road		Shelter Island

Type of property conveyed (check applicable box)

- ☐ Improved  
☒ Vacant land

Date of conveyance

Date of contract

Dual Towns:

10 28 99  
month day year

10 28 99  
month day year

## Condition of conveyance (check all that apply)

- a. ☒ Conveyance of fee interest  
b. Acquisition of a controlling interest (state percentage acquired \_\_\_\_\_ %)  
c. Transfer of a controlling interest (state percentage transferred \_\_\_\_\_ %)  
d. Conveyance to cooperative housing corporation  
e. Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest  
f. Conveyance which consists of a mere change of identity or form of ownership or organization  
g. Conveyance for which credit (or tax) previously paid will be claimed  
h. Conveyance of cooperative apartment(s)  
i. Syndication  
j. Conveyance of air rights or development rights  
k. Contract assignment  
l. Option assignment or surrender  
m. Leasehold assignment or surrender  
n. Leasehold grant  
o. Conveyance of an easement  
p. Conveyance for which exemption is claimed (complete Schedule B, Part 11)  
q. Conveyance of property partly within and partly without the state  
r. Other (describe) \_\_\_\_\_

## Schedule B - Community Preservation Fund

### Part 1 - Computation of Tax Due

1. Enter amount of consideration for the conveyance (from line 1 TP584 Schedule B)  
2. Allowance (see below)  
3. Taxable consideration (subtract line 2 from line 1)  
4. 2% Community Preservation Fund (of line 3) make certified check payable to SUFFOLK COUNTY CLERK  
5. Property not subject to CPF Tax (See Schedule C)

1	500,000	00
2	100,000	00
3	400,000	00
4	8,000	00

For recording officer's use	Amount received	Date received	Transaction number

Allowance:

East Hampton	\$250,000.00 Improved	\$100,000.00 Vacant Land (Unimproved)
Shelter Island	\$250,000.00 Improved	\$100,000.00 Vacant Land (Unimproved)
Southampton	\$250,000.00 Improved	\$100,000.00 Vacant Land (Unimproved)
Riverhead	\$150,000.00 Improved	\$ 75,000.00 Vacant Land (Unimproved)
Southold	\$150,000.00 Improved	\$ 75,000.00 Vacant Land (Unimproved)

12-0213 2/98



New York State Department of Taxation and Finance  
**Combined Real Estate  
Transfer Tax Return and  
Credit Line Mortgage Certificate**

Recording Office Time Stamp

See instructions (TP-584-1) before completing this form. Please print or type.

**Schedule A — Information Relating to Conveyance**

<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other	Grantor	Name (If individual; last, first, middle initial) The Nature Conservancy, Inc.	Social Security Number	
		Mailing address 4245 North Fairfax Drive	Social Security Number	
		City State ZIP code Arlington, Virginia 22203	Federal employer ident. number	53 0242652
<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other	Grantee	Name (If individual; last, first, middle initial) Dougherty, James D. and Nancy H.	Social Security Number	064 30 2429
		Mailing address P.O. Box 1038	Social Security Number	034 32 3587
		City State ZIP code Shelter Island, New York 11964	Federal employer ident. number	

**Location and description of property conveyed**

Tax map designation			Address	City/Village	Town	County
Section	Block	Lot				
024.00	01.00	018.000	21 Thompson Hill Road		Shelter Island	Suffolk

**Type of property conveyed (check applicable box)**

<input type="checkbox"/> 1 - 3 family house	<input type="checkbox"/> 5 Commercial/Industrial	Date of conveyance <table border="1"><tr><td>10</td><td>28</td><td>99</td></tr><tr><td>month</td><td>day</td><td>year</td></tr></table>	10	28	99	month	day	year	Percentage of real property conveyed which is residential real property <u>100</u> % (see instructions)
10	28		99						
month	day		year						
<input type="checkbox"/> 2 Residential cooperative	<input type="checkbox"/> 6 Apartment building								
<input type="checkbox"/> 3 Residential condominium	<input type="checkbox"/> 7 Office building								
<input checked="" type="checkbox"/> 4 Vacant land	<input type="checkbox"/> 8 Other								

**Condition of conveyance (check all that apply)**

- |   |  |   |
|---|--|---|
| a. <input checked="" type="checkbox"/> Conveyance of fee interest   | i. <input type="checkbox"/> Conveyance which consists of a mere change of identity or form of ownership or organization (attach Form TP-584.1, Schedule F) | k. <input type="checkbox"/> Contract assignment   |
| b. <input type="checkbox"/> Acquisition of a controlling interest (state percentage acquired _____ %)   | j. <input type="checkbox"/> Conveyance for which credit for tax previously paid will be claimed (attach Form TP-584.1, Schedule G)                         | l. <input type="checkbox"/> Option assignment or surrender  |
| c. <input type="checkbox"/> Transfer of a controlling interest (state percentage transferred _____ %)   | k. <input type="checkbox"/> Conveyance of cooperative apartment(s)   | m. <input type="checkbox"/> Leasehold assignment or surrender   |
| d. <input type="checkbox"/> Conveyance to cooperative housing corporation   | l. <input type="checkbox"/> Syndication  | n. <input type="checkbox"/> Leasehold grant   |
| e. <input type="checkbox"/> Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest (attach Form TP-584.1, Schedule E) | m. <input type="checkbox"/> Conveyance of air rights or development rights   | o. <input type="checkbox"/> Conveyance of an easement   |
|   |  | p. <input type="checkbox"/> Conveyance for which exemption from transfer tax is claimed (complete Schedule B, Part III) |
|   |  | q. <input type="checkbox"/> Conveyance of property partly within and partly without the state                           |
|   |  | r. <input type="checkbox"/> Other (describe) _____  |

**Schedule B — Real Estate Transfer Tax Return (Article 31 of the Tax Law)**

**Part I — Computation of Tax Due**

1 Enter amount of consideration for the conveyance (if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III). <input type="checkbox"/> Exemption claimed	1	500,000	00
2 Continuing lien deduction (see instructions if property is taken subject to mortgage or lien)	2	(---)	(---)
3 Taxable consideration (subtract line 2 from line 1)	3	500,000	00
4 Tax: \$2 for each \$500, or fractional part thereof, of consideration on line 3	4	2,000	00
5 Amount of credit claimed (see instructions and attach Form TP-584.1, Schedule G)	5	(---)	(---)
6 Total tax due* (subtract line 5 from line 4)	6	2,000	00

**Part II — Computation of Additional Tax Due on the Conveyance of Residential Real Property for \$1 Million or More**

1 Enter amount of consideration for conveyance (from Part I, line 1)	1	---	---
2 Taxable consideration (multiply line 1 by the percentage of the premises which is residential real property; see instructions)	2	---	---
3 Total additional transfer tax due* (1% of line 2)	3	---	---

\*Please make check(s) payable to the county clerk where the recording is to take place or if the recording is to take place in New York City, make check(s) payable to the NYC Department of Finance. If no recording is required, send this return and your check(s) made payable to the Department of Taxation and Finance, directly to the NYS Tax Department, TTTB-Transfer Tax, PO Box 5045, Albany NY 12205-5045.

For recording officer's use	Amount received Part I \$ Part II \$	Date received	Transaction number
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To: Bethany Seebach@Account@TNCHQ  
Cc:  
Bcc:  
From: Melanie E. Woullard@Legal@TNCNYRO  
Subject: fwd: \$200,000 check sent to HO  
Date: Friday, October 29, 1999 11:55 AM  
Attach:  
Certify: N  
Forwarded By: Melanie E. Woullard@Legal@TNCNYRO

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JUL 31 2003

Comments By: Melanie E. Woullard@Legal@TNCNYRO  
Originally To: Dick Berryhill@Account@TNCHQ, Hector Berrios@Account@TNCHQ, Migdalia Rodriguez@Account@TNCHQ  
Originally Cc: Jonathan Kaledin@Legal@TNCNYRO, Ariel Hameon@Develop@TNCNYYC  
Originally From: Melanie E. Woullard@Legal@TNCNYRO  
Original Date: 10/29/1999 9:20 AM  
Comments:

Hi Bethany,  
I have a good one for you! Please see the correspondence below regarding a transfer out that occurred yesterday. I need a little help with it. This is the deal:

We transferred out a property yesterday (Mashomack-Gerard) to James& Nancy Dougherty. TNC paid \$2.1M for it a month or so ago. We transferred the title but retained a conservation easement. The purchase price for the transfer out is \$500,000. The Doughertys are though, going to make us whole for the entire \$2.1M through a pledge agreement, but for a number of reasons the purchase price must be reflected as \$500,000 with TNC retaining a conservation easement valued at \$1.6M. The first installment of the charitable pledge agreement calls for TNC to receive \$650,000 today. So in total TNC is to receive \$500,000 purchase price + \$650,000 in the form of a charitable pledge from the same people today (a total of \$1.15M). That should happen. Jon (our attorney) received a check for \$200,000 and there were/should be two transfers from the Dougherty's brokerage house account (where TNC also has an account) for \$450,000 and \$500,000.

WHEW! My question is how I should complete the land sales form. It's been helpful for me to think of the \$500,000 purchase price as money completing the sale and the other \$1.6M coming in, although from the same people, as a separate gift towards the purchase. But again, how would you like me to fill out the form?

Never a dull moment.

Melanie E. Woullard-Swann,  
Legal Assistant/Real Property Tax Mgr  
The Nature Conservancy, 415 River St., Troy, NY 12180  
Tel: 518-273-9408 x232 Fax: 518-273-5178

-----[Original Message]-----

Hi everyone. I'm trying to cover all my bases here! Our state counsel Jon Kaledin attended a closing yesterday where we sold some property. Jon received a check for \$200,000. In an effort to get the money

was unaware of the new procedures with team approach and FMS.

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This \$200,00 is a part of a total of about \$900,000 we expect to receive on this sale to the Dohertys between cash and stocks (Anne Hubbard of HO Planned Giving is in on it too). If any of you should come upon this check it should be credited to the following center #: 2328099174.0001 Mashomack/Shelter Island (Thompson Hill-Gerard). If you have ANY questions please don't hesitate to call. Thanks.

Melanie E. Woullard-Swann,  
Legal Assistant/Real Property Tax Mgr  
The Nature Conservancy, 415 River St., Troy, NY 12180  
Tel: 518-273-9408 x232 Fax: 518-273-5178

February 8, 2000

TO: Shelter Island Town Board Members

FROM: Robert J Lanahan, Chairman, Board of Assessors

Subject: 2% Community Fund Preservation Fund Tax

The payment structure involved in a recent property transfer has an effect of considerably reducing the 2% Community Preservation Fund tax due the Town of Shelter Island. The cash payment for the property was reported as \$ 500,000.00. A more realistic value for the property is probably about \$1,500,000.00.

The Nature Conservancy purchased the 9.5 acre waterfront parcel, known as Thompson's Hill, from the Estate of James Gerard for \$2,100,000.00 on July 2, 1999. This purchase price is somewhat lower than could have been obtained in an open market sale. We do not consider this sale to be an arms-length-sale.

The land was then re-sold to James and Nancy Dougherty, with a conservation easement as a part of the deed. The Dougherty's made a donation to The Nature Conservancy, in addition to the reported purchase price of \$500,000.00, for a total fund transfer of \$2,100,000.00 for the property.

The easement essentially provides James and Nancy Dougherty 4.6 acres for their use. The remaining 3.9 acres are to remain as non-buildable buffer areas along the perimeter of the property on Smith Cove and along the South facing shoreline and bluffs associated with the property.

cc: Gerard Siller  
Sharon Kast  
Paul Mobius  
Glen Waddington  
James Messer